

A Country That Works

A Source Book for the Democratic Modernisation
of the United Kingdom

2026

A SOURCE BOOK FOR DEMOCRATIC MODERNISATION

A Country That Works

The Case for Rebuilding State Capacity in the
United Kingdom — and What It Means for Europe

Finance · Urbanism · Public Services · Governance · Electoral Reform

Common Ground Press | First Edition, 2026

A Country That Works

A Source Book for the Democratic Modernisation of the United Kingdom

First published 2026 by Common Ground Press.

Copyleft Notice

This work is published under a free culture copyleft licence. No individual, organisation, or publisher may assert proprietary rights over this text.

You are free to:

- Copy, distribute, and share this work in any medium or format
- Republish this work in whole or in part, in any publication
- Adapt, translate, and build upon this work
- Sell this work at the actual cost of production only (printing, hosting, distribution) — commercial profit is forbidden
- Quote from this work — quoting is actively encouraged

You may not:

- Sell this work for commercial profit
- Claim exclusive ownership or restrict others from these freedoms

Attribution: When reproducing or quoting, please cite as:

A Country That Works (Common Ground Press, 2026)

Digital copying and sharing is actively encouraged.

The views expressed are those of the contributors and do not represent any political party, institution, or organisation cited herein. Statistics were correct at time of going to press.

Typeset in DejaVu Serif & DejaVu Sans (XeLaTeX / TeX Live).

*For everyone who has ever sat in a waiting room,
stood on a delayed platform,
opened an energy bill they cannot pay,
or watched a river run brown.*

You were not failed by accident.

Contents

A Country That Works	1
The Case for Rebuilding State Capacity in the United Kingdom — and What It Means for Europe	1
Abbreviations and Key Terms	2
Foreword	6
Preface: The Argument from Necessity	9
The Necessity Argument	10
What This Book Proposes	11
A Note on Sources and International Comparisons	12
Who This Book Is For	13
Introduction: What Is Actually Broken	14
The Four Failures	14
1. Finance No Longer Funds the Productive Economy	14
2. Planning No Longer Permits Building	16
3. Public Services Have Been Hollowed Out by the Middleman	18
4. Government Has Lost the Habit of Long-Term Action	19
How the Failures Reinforce Each Other	22
A Word About Language	23
Chapter One, Section 1.1	25
Socialised Finance and Investment: The Current Crisis	25
How Private Credit Captured the Economy	25
The Credit Question Nobody Asks	25
How British Banks Actually Lend	26

The Land Problem	28
The Speculative Class and Its Political Power . . .	29
The Sovereign Wealth Opportunity Foregone . . .	30
The Regulatory Failure	31
Chapter One, Section 1.2	33
Socialised Finance and Investment: The Proposed Mechanism	33
Strategic National Investment	33
Architecture: Three Interlocking Institutions . . .	33
Institution One: The National Investment Bank .	34
Institution Two: The British Sovereign Wealth and Enterprise Fund	36
Institution Three: Credit Direction Through Banking Regulation	38
Land Value Capture	39
The Green Party Policy Connections	41
Chapter One, Section 1.3	43
Socialised Finance and Investment: The Democratic Safeguard	43
Accountability Without Paralysis	43
Statutory Mandate, Not Ministerial Discretion . .	44
The SWEF: Ring-Fencing Public Assets	45
Credit Direction: Rules-Based, Not Ministerial . .	46
Distinguishing from Authoritarian Directed Finance	47
Chapter One, Section 1.4	48
Socialised Finance and Investment: The European Application	48
A Common Framework for Directed Capital	48
Existing European Public Development Banks . .	49
The Coordinated Framework Proposal	50
The UK's Position Post-Brexit	51
Chapter Two, Section 2.1	53
Radical Urbanism and Infrastructure: The Current Crisis	53
Planning as a System Designed to Fail	54

What British Planning Actually Does	54
The Cost of Delay	55
The National Infrastructure Catastrophe	57
A Brief Typology of Planning Failure	58
The Sprawl Problem	60
Chapter Two, Section 2.2	61
Radical Urbanism and Infrastructure: The Proposed Mechanism	61
Public Luxury and the Right to the City	61
Reframing the Goal	61
A Zoning-Based Planning System	63
A National Housing Programme	64
A Metropolitan Area on Rails	66
Green Concrete: The Everyday Public Realm	67
Chapter Two, Section 2.3	69
Radical Urbanism and Infrastructure: The Democratic Safeguard	69
Rules-Based Planning Under Democratic Mandate	69
The Accountability Problem in Planning Reform	69
Compulsory Purchase: Rights Protected, Windfalls Recaptured	71
Protected Areas and Heritage	72
Chapter Two, Section 2.4	73
Radical Urbanism and Infrastructure: The European Application	73
A Continental Standard for Urban Quality	73
The Vienna Model's International Reach	74
A European Spatial Development Framework	75
Coordinated Rail Infrastructure	76
Chapter Three, Section 3.1	77
Public Services and Social Connection: The Current Crisis	77
The Outsourcing Economy and Its Costs	78
The Middle Layer	78
PFI in the NHS: A Documented Catastrophe	79

The Water Catastrophe: Privatisation's Clearest Failure	80
Social Care: The Private Equity Extraction Machine	81
The Closing of the Commons	82
Chapter Three, Section 3.2	83
Public Services and Social Connection: The Proposed Mechanism	83
Bringing Services Back to the Public Realm	83
Ending the PFI	83
Energy and Water: The Public Ownership Programme	85
Community Canteens and the Rebuilt Commons	87
Universal Services Package	88
Chapter Three, Section 3.3	90
Public Services and Social Connection: The Democratic Safeguard	90
Accountability, Scrutiny, and the Citizen	90
Service Charters and Transparency	90
Citizen Juries and Independent Scrutiny	91
Regulatory Reform	91
Chapter Three, Section 3.4	92
Public Services and Social Connection: The European Application	92
Universal Services as a European Standard	92
A Floor, Not a Ceiling	93
Chapter Four, Section 4.1	94
Governance and State Capacity: The Current Crisis	94
The Hollowed-Out State	95
The Expertise Drain	95
The Ministerial Churn Problem	97
The Major Projects Crisis	98
The Digital State Gap	99
Chapter Four, Section 4.2	100

Governance and State Capacity: The Proposed Mechanism	100
Rebuilding the Capacity to Govern	101
The Department of National Development	101
A Rebuilt Civil Service Technical Core	102
Long-Term Project Protection	104
The UK Public Services Platform	105
Electoral Reform as Governance Investment	106
Chapter Four, Section 4.3	107
Governance and State Capacity: The Democratic Safeguard	107
Power with Accountability	107
Parliamentary Oversight of the DND	107
Transparency as Constitutional Principle	108
Local Democracy Empowered, Not Bypassed	109
Chapter Four, Section 4.4	110
Governance and State Capacity: The European Application	110
A Common Standard of Competent Democracy	110
European Models of State Capacity	111
A European School of Public Administration	112
Chapter Five: The Constitutional Lock	113
Why Proportional Representation Is the Foundation, Not the Footnote	113
The Problem This Chapter Addresses	113
Section 1: The Track Record	114
How Minority Governments Claim Majority Mandates	114
The Thatcher Precedent	116
The Current Risk: Reform UK and the Far Right	117
Section 2: The Electoral Architecture Argument	118
What Proportional Representation Actually Means	118
Why Proportionality Matters for This Programme Specifically	120
Section 3: The Counter-Arguments, Addressed Honestly	122

Counter-Argument: Coalition governments are unstable	122
Counter-Argument: PR gives small parties disproportionate influence	124
Counter-Argument: The 2011 referendum showed the public doesn't want PR	125
Section 4: What Proportional Representation Would Mean for This Programme	126
The Durability Guarantee	126
Cross-Party Institution Building	127
Preventing the Asset-Stripping Cycle	128
Section 5: The Design Proposal	129
A Note on Political Honesty	131
Summary	132
Chapter Six: The Informed Citizen	134
Media Ownership, Misinformation, and the Democratic Mind	134
Introduction: Why Media Belongs in This Book	135
6.1 The Current Crisis: Who Owns the British Press	137
The Concentration of Ownership	137
The Digital Dimension	138
The Broadcasting Landscape	139
6.2 The Proposed Mechanism: Media for a Functioning Democracy	140
Principle One: National Ownership of National News	140
Principle Two: Genuine Independence of Regulation	142
Principle Three: Platform Accountability	143
Principle Four: A Publicly Funded Media Ecosystem	145
6.3 Critical Thinking in the Schools Curriculum	146
Why Schools Are the Long-Term Solution	146
What the Curriculum Should Include	147
The Finnish Model	148
6.4 The Democratic Safeguard: Protecting Speech, Preventing Capture	149
6.5 The European Application	151

The European Edition	153
Democratic Modernisation as a Continental Programme	153
Introduction: Why Europe Needs This Programme . . .	154
Section E.1: The Crisis Across Europe	156
Germany	156
France	157
The Netherlands, Belgium, and Austria	159
The Nordic States	160
Southern Europe: Spain, Italy, Portugal, and Greece	161
Central and Eastern Europe: The Authoritarian Gradient	163
Section E.2: Institutional Pathways	164
The European Investment Bank	164
National Development Bank Network	165
EU Cohesion Policy and Structural Funds	166
Section E.3: The European Democratic Modernisation Framework	166
The Four Commitments	167
The Democratic Legitimacy of the Framework . . .	168
Section E.4: Central and Eastern Europe — The Priority Case	169
Building Institutional Capacity Where It Is Weakest	169
The Authoritarian Inheritance	171
The EU as Political Resource	172
Section E.5: A Continent That Works — The European Vision	173
Conclusion: A Country That Works	175
The Vision	176
The Scale of the Task	177
Afterword: The European Dimension	179
Britain and Europe	179
A European Programme	180
The Political Argument	182
Appendix: Honest Counter-Arguments	183
On Chapter One: Socialised Finance and Investment .	183

Counter-Argument 1: Public development banks have a poor track record	183
Counter-Argument 2: The UK cannot afford the borrowing required	185
On Chapter Two: Radical Urbanism and Infrastructure	186
Counter-Argument 3: Planning reform removes legitimate community voice	186
Counter-Argument 4: High-density urban housing creates social problems	187
On Chapter Three: Public Services and Social Connection	188
Counter-Argument 5: Nationalised utilities in the 1970s were also poor	188
Counter-Argument 6: Community canteens represent unacceptable state paternalism .	189
On Chapter Four: Governance and State Capacity . .	190
Counter-Argument 7: A Department of National Development risks bureaucratic empire- building	190
Counter-Argument 8: Electoral reform will not, on its own, produce better long-term governance	191
A Final Word on Complexity and Humility	192

References	193
-------------------	------------

Index	203
--------------	------------

A Country That Works

The Case for Rebuilding State Capacity in the United Kingdom — and What It Means for Europe

A Source Book for Democratic Modernisation

First Edition

Common Ground Press London · Bristol · Edinburgh

2026

Based on a foundational outline document developed collaboratively with applied political economy research, party manifesto analysis, and comparative international policy review.

Abbreviations and Key Terms

Abbreviations

Abbreviation	Full Form
CHPI	Centre for Health and the Public Interest
EA	Environment Agency
EIU	Economist Intelligence Unit
FPTP	First Past the Post (electoral system)
GDP	Gross Domestic Product
GNI	Gross National Income
HS2	High Speed Two (rail project)
IfG	Institute for Government
KfW	Kreditanstalt für Wiederaufbau (German development bank)
LVT	Land Value Tax
MPC	Monetary Policy Committee (Bank of England)
NAO	National Audit Office
NEF	New Economics Foundation
NHS	National Health Service
NIB	National Investment Bank (proposed)
ONS	Office for National Statistics
PAC	Public Accounts Committee
PFI	Private Finance Initiative
PR	Proportional Representation
RTB	Right to Buy
SME	Small and Medium-sized Enterprise
SWEF	Sovereign Wealth and Enterprise Fund (proposed)
UKIB	United Kingdom Infrastructure Bank

Key Terms as Used in This Book

State Capacity — the ability of a government to plan, finance, build, deliver, and administer services at scale over sustained periods of time. Distinguished from mere regulatory function.

Public Luxury — the principle that the public realm — housing, parks, transport, community facilities — should be of the highest possible quality; that the best buildings, the cleanest spaces, and the most generous services should be accessible to everyone, not reserved for those who can pay a premium.

Strategic National Investment — the deployment of public capital, through state-owned or state-directed financial institutions, toward sectors that generate long-term national productive capacity rather than short-term financial returns.

Democratic Safeguard — specific, statutory, transparent accountability mechanisms that ensure state capacity is exercised in the public interest and cannot be captured by any single party, interest, or executive.

Common-Sense Infrastructure — major physical works (rail, housing, water, energy) that constitute the basic operating conditions of a modern society and which cannot be effectively provided by market mechanisms alone.

The Financialisation Loop — the self-reinforcing cycle by which private bank credit flows preferentially into existing assets (particularly land and housing), inflating their price, making them more attractive as investment vehicles, and drawing yet more credit away from the productive economy.

In-House Delivery — the provision of public services directly by public bodies, as opposed to outsourced to private contractors, restoring both accountability and accumulated institutional expertise.

Foreword

There is a particular kind of British political complacency that announces itself as realism. It presents the slow deterioration of public services as the inevitable consequence of complex forces beyond anyone's control. It frames every ambitious proposal for state action as naïve, uncoded, or ideologically suspect. It regards the continued failure of privatised water companies to stop pumping sewage into rivers as essentially a technical problem of regulatory design, rather than as a structural consequence of having handed a natural monopoly to financial investors whose legal obligation is to maximise shareholder returns.

This book does not share that complacency.

The argument assembled in these pages is, at its core, a straightforward empirical claim: that the United Kingdom has, over approximately four decades, systematically stripped its public institutions of the capacity to act, and that the visible consequences of this — in the state of the water, the cost of a home, the condition of the railways, the length of the waiting lists, the bankruptcy of the councils — are not the result of bad luck or external shocks but of deliberate political choices, choices that can be reversed by further deliberate political choices.

The authors draw, throughout, on international comparisons. Germany, France, Austria, the Nordic states, Estonia. The comparison most likely to raise objections is the reference to modern China — specifically to the speed and ambition of its urban transformation, its state-directed investment model, and its long-horizon planning capacity. Let the objection be addressed here, at the outset, before the reader encounters it in the text.

The argument is not that the United Kingdom should become China. It is not that any aspect of the Chinese political system — its single-party structure, its suppression of dissent, its treatment of minorities and political opponents — is to be emulated, admired, or exported. The argument is narrower and, on inspection, less contentious: that several functional mechanisms which the Chinese state uses to deliver infrastructure and direct investment are *also* available to democratic governments operating in the European tradition, and that several European democracies already use them. Germany directs credit through KfW. France builds railways on parliamentary mandates that survive changes of government. Vienna has housed half its population in public dwellings for a century. Estonia runs its state through a single digital platform that most of its citizens trust and use. None of these are authoritarian states.

The question this book asks is why the United Kingdom, which pioneered many of the institutional forms that other democracies have built upon, now performs below most of its peers on almost every measure of state delivery. The answer it gives is not ideological. It is structural.

The proposals that follow are detailed, costed in broad terms, and grounded in real precedent. They will be contested. The counter-arguments are, in several cases, serious, and they are addressed honestly in the Appendix. Democratic debate about the proper scope and mechanisms of state action is exactly what these proposals require and invite.

What is no longer adequate is the response that nothing can change because nothing has ever changed. The sewage, the waiting lists, the unaffordable housing, the crumbling railways — these things changed. They got worse. They can, with the same logic, get better.

This book is a contribution to the argument about how.

The Editors Common Ground Press London, 2026

Preface: The Argument from Necessity

This book does not open with a theory of justice, a philosophy of the state, or a reading of history. It opens with a set of facts about the country in which it was written, in the year in which it was written, and it asks a single question: can these facts be different?

The United Kingdom in the mid-2020s is a country in which the basic infrastructure of a modern society is visibly failing. The scale and nature of these failures is not in serious dispute. Untreated sewage was discharged into English waterways for nearly two million hours in the course of a single year (Environment Agency, 2025a). The water company responsible for the supply of thirteen million people in Greater London carried £17.6 billion in debt (Gresham College, 2025). The cost of the average home has risen so far beyond the earnings of ordinary workers that an entire generation has been functionally excluded from ownership (Pettifor, 2018). Hospital waiting lists, as a consequence of under-investment compounded by the disruption of a global pandemic, reached a scale without modern precedent. Energy bills rose to the point where a substantial minority of British households spent a winter choosing between heating and eating. Local

councils, deprived of adequate funding for fifteen years, began declaring effective insolvency in numbers not seen since the 1930s.

This book argues that none of this was inevitable.

The Necessity Argument

The case for the programme described in the following chapters does not rest on ideology. It does not claim that any given distribution of ownership between public and private is morally correct in the abstract. It does not invoke the language of class struggle or the vocabulary of any particular political tradition. It argues from necessity, in the most literal sense of that word: that a modern democratic society cannot function without certain capacities — the capacity to build homes, clean water, working transport, functioning public services — and that the existing institutional arrangements of the United Kingdom have demonstrably failed to deliver those capacities over a sustained period.

The question is not whether the state should be involved in the provision of essential services. The British state is already deeply involved, through subsidy, regulation, bailout, and emergency intervention. Thames Water continues to operate only because the regulatory system has provided emergency financing (Gresham College, 2025). The railway network continues to run only because the state stepped in during and after the Covid-19 pandemic and has never fully stepped back. The energy market requires constant government intervention to prevent catastrophic price spikes from reaching consumers at full force. The question is not whether the state acts. The

question is whether it acts coherently, effectively, and in the public interest — and whether the current model allows it to do so.

The honest answer, surveying the evidence presented in this volume, is that it does not.

What This Book Proposes

The programme set out in these pages has four components, addressed in four chapters.

The first is the rebuilding of public financial capacity: the establishment of institutions through which the state can direct credit and investment toward the things the country needs, rather than leaving that allocation entirely to private markets whose incentives point, demonstrably, in other directions.

The second is the transformation of urban planning and infrastructure policy: the replacement of a discretionary planning system that makes building prohibitively slow and expensive with a rules-based system modelled on the practice of peer democracies, combined with a serious public programme of housing construction, transport expansion, and environmental improvement.

The third is the restoration of public service delivery: the progressive ending of the outsourcing model that has transferred wealth from public budgets to private intermediaries, and the rebuilding of the in-house capacity of public bodies to serve their citizens directly, efficiently, and with pride.

The fourth is the reformation of government itself: the rebuilding of a civil service capable of long-term planning and delivery, the protection of major programmes from short-term political cancellation, and the digital modernisation of the state's interface with its citizens.

A Note on Sources and International Comparisons

Throughout this book, references are made to the experience of other countries: Germany's KfW development bank, Vienna's social housing programme, Estonia's digital state, France's high-speed rail network, the Nordic tradition of long-term public investment. These comparisons are not deployed as rhetorical decoration. Each represents a documented, functioning example of a mechanism being proposed for the United Kingdom. None of the countries cited are authoritarian. None can be dismissed as fundamentally unlike Britain in the ways that matter for this argument.

The Chinese comparison, which appears in the Introduction and periodically thereafter, requires particular care. Modern China has, in the space of roughly thirty years, transformed its urban landscape to a degree without precedent in the modern era: constructing high-speed rail networks, high-density cities, and massive infrastructure on timescales that European countries find extraordinary. The functional achievement is real. The political system within which it was accomplished is not replicable in a democracy, is not desirable, and is not proposed. What is proposed, specifically and carefully, is that the underlying mechanisms — directed public credit, state ownership of strategic infrastructure, long-horizon planning protected from short-term political reversal — are available to democratic governments, as

European practice demonstrates, and can be deployed within a constitutional framework that protects individual rights, multi-party competition, and the rule of law.

That combination — the functional ambition of the best state-led development models, bound strictly by the accountability mechanisms of a pluralist democracy — is what this book calls Democratic Modernisation.

Who This Book Is For

This book is written for citizens, politicians, journalists, policy professionals, and anyone else who has watched the deterioration of British public life and wondered whether it is possible to reverse it. It is written in plain English, without unnecessary technical vocabulary. It makes arguments that can be evaluated, checked against evidence, and challenged.

That challenge is welcome. The proposals here are not final answers. They are a serious contribution to a debate that the country urgently needs. The country that emerges from that debate — if it engages with the evidence honestly and without reflexive ideological retreat — will, this book argues, be a considerably better country than the one that enters it.

A country, in short, that works.

Introduction: What Is Actually Broken

Before any proposal for reform can be taken seriously, the diagnosis must be honest. The temptation, in a book arguing for substantial change, is to catalogue grievances selectively — to present only the failures and to suppress the qualifications. This introduction attempts the harder thing: to describe, as accurately as the available evidence allows, the state of the United Kingdom's public institutions in the mid-2020s, including both what has failed and why.

The argument that follows is that the United Kingdom is failing in four interlocking ways, and that these four failures reinforce each other in a cycle that incremental reform cannot break. Understanding the cycle is the precondition for understanding why the proposals in the chapters that follow are structured as they are.

The Four Failures

1. Finance No Longer Funds the Productive Economy

The United Kingdom has a financial sector of extraordinary global reach. London remains one of the two or three most important financial centres in the world. British financial services firms manage assets across every asset class in

every continent. For this, the UK pays substantial costs: a disproportionate dependence on a single industry sector, a political economy shaped by the interests of that sector, and a domestic credit system that allocates its resources in ways that generate high returns for its principals while producing limited benefit for the broader economy.

The mechanism by which this operates domestically was described with precision by the New Economics Foundation in a foundational 2016 report. Bank credit in the United Kingdom, the report established, flows predominantly into mortgages on existing property rather than into productive investment. The primary source of purchasing power in the housing market is not wages but bank-created credit in the form of new mortgages (NEF, 2016). As bank willingness to lend increases, more newly created money floods the housing market, bidding up the price of a fixed supply of land and property. The result is that house prices have consistently outpaced wages over three decades, pricing an increasing proportion of working people out of ownership (Pettifor, 2018).

The scale of the distortion is striking. Between 70% and 75% of the cost of an average British home now reflects the price of the underlying land, not the structure built on it — up from approximately 2% in the 1930s (WSWS, 2025). The economist Ann Pettifor has noted that Britons collectively own £10 trillion of property wealth but carry £2 trillion in debt, and that while debts have grown at roughly 10% per year over the past decade, household incomes rose at only around 1.5% (Pettifor, 2018). The arithmetic of this divergence has only one sustainable resolution: either housing costs must

fall, or an ever-larger share of household income must be dedicated to debt service, crowding out the consumption that constitutes two-thirds of the British economy.

Meanwhile, the productive economy has been systematically starved. British manufacturing, which accounted for roughly 25% of GDP in the early 1970s, now represents less than 10% (ONS, 2024). Gross fixed capital formation as a proportion of GDP has lagged behind Germany, France, and even comparable-sized European economies for a generation. The investment drought is not evenly distributed: it is concentrated in the regions and industries that most need it, while financial flows continue to reward the ownership of existing assets over the creation of new ones (Blakeley, 2019).

2. Planning No Longer Permits Building

The United Kingdom operates a planning system that is unusual, if not unique, among wealthy democracies in being fundamentally **discretionary** rather than rules-based. In most European countries and in the United States, land is zoned for defined uses at defined densities, and a development that meets the zoning standards receives permission automatically, or close to it. In England and Wales, each application is decided on its individual merits by a local planning authority, after a consultation period, with broad grounds for refusal and wide rights of appeal and judicial review on both sides (Letwin, 2018).

The consequences are well understood by anyone who has attempted to build anything significant in the UK. The discretionary system:

- Creates long, costly, and unpredictable approval timelines that small developers cannot survive, concentrating the development market in a small number of large firms able to absorb delay costs;
- Allows any objector with resources to challenge any application, regardless of its merits, adding years to already lengthy timelines;
- Generates systematic under-building, particularly in the areas of highest demand, where opposition is most organised and political incentives most strongly reward denial;
- Makes the costs of planning delay the single largest determinant of new housing prices — costs that are passed directly to buyers (Centre for Cities, 2019).

The results are visible in the statistics. The United Kingdom has consistently built fewer homes than the number required to meet household formation for approximately fifteen years. The Green Party's 2024 manifesto estimated a need to build 150,000 social homes per year alone, in addition to market provision, simply to begin closing the gap (Green Party, 2024).

Beyond housing, the same discretionary system, applied at larger scale, has made the delivery of major infrastructure extraordinarily slow and expensive. The construction of a wind farm in the UK now frequently takes longer to consent than to build. High Speed Two, the UK's first major new railway programme in a generation, was proposed in 2009, approved in 2012, partially cancelled in 2023, and by 2025 had delivered no passenger-carrying service, at a cost-per-mile that was among the highest of any comparable project in the world (NAO, 2024).

3. Public Services Have Been Hollowed Out by the Middleman

The third failure is structural rather than financial: the progressive transfer of public service delivery from public bodies to private contractors, with a consequent loss of institutional expertise, accountability, and public value.

The scale of outsourcing in UK public services is difficult to overstate. Across central and local government, the NHS, the justice system, and utilities, an annual flow of tens of billions of pounds from public budgets moves through private intermediaries. Each intermediary charges a margin. Each margin, paid for by the public, does not fund services. Each contract removes decision-making from democratic oversight and places it inside commercially confidential documents. Each round of retendering disrupts the continuity that service quality requires.

The Private Finance Initiative provides the most thoroughly documented example of this dynamic. By October 2007 the total capital value of PFI contracts signed throughout the UK had reached £68 billion, committing the taxpayer to total repayments of £215 billion over the life of the contracts — more than three times the capital value (Wikipedia, 2025). In the NHS alone, analysis of 99 PFI schemes found that since 2004, almost £2 billion had been generated in profit before tax, and over £1 billion paid out in dividends, directly from NHS budgets to financial investors (CHPI, 2023). The Centre for Health and the Public Interest found that in one case — the University College London Hospital — the management company recorded 50% of its turnover as profit before tax over the relevant period (CHPI, 2023).

The water sector presents an equally well-documented case. Private water companies discharged sewage into English waterways for 12.7 million monitored hours between 2019 and the end of 2023 (Nature Water, 2025). In 2025 — a drought year, when storm overflow use should theoretically have been minimal — nearly 300,000 sewage discharges were recorded, lasting approximately 1.9 million hours (Environment Agency, 2025a; Rivers Trust, 2026). Pollution incidents surged by 60% in 2024 (New Civil Engineer, 2025). Throughout this period, the same companies extracted substantial dividends for their shareholders, who were predominantly overseas pension funds and sovereign wealth vehicles. Thames Water, which serves thirteen million people in Greater London, was carrying £17.6 billion in debt in 2025 and had been placed on emergency financial support (Gresham College, 2025).

The deeper damage of outsourcing is not merely financial. It is the steady loss of public sector expertise. When a function is outsourced, the civil servants and local authority staff who understood how to do it leave. Their knowledge goes with them, and frequently ends up employed by the private contractor at a higher rate, performing the same function for a profit margin. When a subsequent government decides to bring the function back in-house, there is no expertise to return to. The institutional memory has been sold.

4. Government Has Lost the Habit of Long-Term Action

The fourth failure is the most systemic and in some ways the most difficult to address. The British state, at the level of central government, has progressively lost the capacity to think, plan, and act over timescales longer than the electoral cycle.

The evidence is institutional. Civil service expertise in engineering, science, and project management has been thinned since the 1970s. The number of qualified civil engineers in central government fell substantially from its peak during the post-war infrastructure decade. Senior project management is routinely contracted to private consultancies: in the financial year beginning 2023, UK central government spent £3.4 billion on management consulting suppliers alone (Tussell, 2024). The Big Four accountancy firms, joined by McKinsey, BCG, and PA Consulting, were awarded £1.5 billion in government contracts in 2024, an increase on the prior year (FT, 2025). The Institute for Government's Whitehall Monitor found that spending on consultancy had risen 40% in real terms since 2018-19, and that the civil service was "reaching too readily for expensive external support" in a pattern that both reflected and perpetuated the decline of in-house expertise (IfG, 2024).

The political system exacerbates the institutional decline. Ministerial tenure at the head of major departments has averaged, in recent years, roughly fifteen months. Each new minister arrives with a political need to differentiate from their predecessor, announces a refreshed strategy, and shelves the previous capital plan. Industries dependent on government commitment — renewable energy suppliers, house builders, rolling stock manufacturers — are unwilling to make long-term investment decisions when the policy environment can reverse within months. The perverse incentive is, by

now, deep-rooted: announcing a new programme generates political credit; completing a programme initiated by a predecessor generates none.

The result is a state that has lost the basic habit of finishing things. The National Audit Office has documented, in report after report, the same patterns: programmes cancelled mid-delivery, costs that balloon when projects lose coherence and continuity, targets missed not because the targets were wrong but because the institutional structure cannot sustain focus over the required timescale (NAO, 2024).

How the Failures Reinforce Each Other

These four failures are not independent. They form a self-reinforcing system.

A state without long-term financial capacity cannot direct credit toward productive investment. When private banks fill the vacuum, they allocate credit to its highest short-term return — which is, given the planning system's inability to increase the supply of housing, existing property. Rising property prices reward ownership of existing assets over the creation of new ones, reinforcing the financial logic. The resulting housing shortage makes the social failures visible — homelessness, overcrowding, the hollowing out of communities priced out of their own cities — but the planning system prevents the response. Meanwhile, the hollowed-out public sector contracts out its failures, paying private intermediaries to manage services it has lost the expertise to run. The resulting drain on public budgets constrains further investment. The short-term political cycle makes every institutional reform tentative and reversible. And the cycle begins again.

This is why, the following chapters argue, the response cannot be incremental. Adjusting one component while leaving the others intact will be absorbed by the system. The four failures must be addressed together, as components of a single dysfunction, by a programme that acts on all of them simultaneously — the financial, the infrastructural, the service delivery, and the governmental — over a timescale long enough to see results.

That programme is what this book describes.

A Word About Language

The programme described in the chapters that follow involves, among other things, the direction of credit by public institutions toward sectors the private market underserves, the public ownership of natural monopolies, the elimination of private profit margins from essential services, and the cultivation of a state capable of planning and delivering at the scale and on the timescale the country requires. These ideas have antecedents in a variety of intellectual and political traditions.

This book does not deploy the vocabulary of any single tradition, for two reasons. The first is rhetorical: familiar ideological signifiers close minds that ought to be open. The second is substantive: the programme described here draws on practical evidence from functioning democracies — including several that would not describe themselves as ideologically aligned with any of the traditions whose vocabulary is being avoided — and it stands or falls on that practical evidence, not on the intellectual lineage of its proposers.

The language used throughout is therefore the language of state capacity, public luxury, strategic national investment, democratic accountability, and common-sense infrastructure. These terms are defined at the beginning of this volume. They are used consistently and in good faith. The reader who wishes to map them onto other traditions may do so; this book does not obstruct that mapping, but neither does it confirm it.

What it asks, from reader and policymaker alike, is simpler: to look at the evidence of what is failing, at the evidence of what has worked elsewhere, and to ask honestly whether the two have anything to say to each other.

The chapters that follow argue, in considerable detail, that they do.

Chapter One, Section 1.1

Socialised Finance and Investment: The Current Crisis

“The prime source of purchasing power in the housing market is bank loans — in the form of mortgages — rather than people’s pay packets. The more banks are willing to lend, the more money floods into the housing market.”

— *New Economics Foundation (2016, p. 7)*

How Private Credit Captured the Economy

The Credit Question Nobody Asks

When a British bank issues a mortgage, it does not lend out money that another customer has deposited. It creates new money in the form of a deposit entry, which the borrower then uses to bid for housing. This process — understood by economists but rarely discussed in public — is the central mechanism of the British housing and financial crisis, and it is the starting point for this chapter (NEF, 2016).

The significance of this mechanism is not abstract. When the volume of mortgage credit in an economy expands, the purchasing power available to bid on a fixed or slowly

changing stock of housing expands with it. In competitive urban markets where planning restrictions prevent the supply of housing from keeping pace with demand, this expansion of credit does not lead to more homes being built. It leads to higher prices for the homes that already exist. The owner of an existing property is enriched by every new mortgage issued in their city. The prospective first-time buyer is made poorer. The financial sector profits from both transactions — by issuing the mortgage and by holding or securitising the asset.

This is not a conspiracy. It is the rational behaviour of profit-maximising institutions operating within a framework of rules that rewards it.

How British Banks Actually Lend

The Bank of England's own research has confirmed that approximately 80% of new lending by British banks flows into property-related finance — mortgages on existing homes, buy-to-let portfolios, commercial real estate — rather than into productive enterprises (Bank of England, 2014; Blakeley, 2019). The residual 20% directed at businesses is itself heavily weighted toward property-collateralised lending, such that even much of the lending nominally to the business sector ultimately reflects a bet on real estate prices.

The consequences for the productive economy are documented across multiple datasets. UK manufacturing output as a share of GDP fell from approximately 25% in the early 1970s to below 10% by the early 2020s (ONS, 2024). Gross fixed capital formation in the UK has persistently trailed comparable European economies; the contrast with Germany,

where a network of state-directed financial institutions supports manufacturing investment, is particularly striking (OECD, 2023). The UK's research and development spending as a percentage of GDP, while improving in recent years, remains below the OECD average (OECD, 2023).

The political economist Grace Blakeley has described this pattern as the “financialisation” of the British economy: a structural shift in which the financial sector has become dominant not merely in its share of economic output but in its influence over investment decisions, political priorities, and the distribution of economic power (Blakeley, 2019). The shift has been reinforced by successive policy choices: the deregulation of financial markets from the mid-1980s onward; the permitting of ever-larger mortgage multiples; the tax treatment of property ownership as an investment vehicle; and, crucially, the progressive withdrawal of the state from its own tradition of public capital investment.

The Land Problem

The full scale of the problem becomes visible when one examines not house prices but land prices. Between 70% and 75% of the cost of an average British home now reflects the price of the underlying land, not the cost of the building constructed on it (WSWS, 2025). This figure stood at approximately 2% in the 1930s. The gap between the cost of construction and the sale price of a new home is, in its entirety, a land premium — a windfall that flows to the landowner as a consequence of public investment in nearby infrastructure, changes in planning permission, and the accumulation of credit in the surrounding market.

This dynamic was identified more than a century ago by economists including Henry George and Alfred Marshall, who noted that the unearned increment of rising land values — created by community activity and public investment, not by the landowner — was a fundamentally unjust and economically inefficient transfer of public wealth to private hands. Their observations remain structurally accurate. The Positive Money research organisation has noted that the UK's consumption-driven growth model has come to depend on a form of privatised borrowing that requires the continuous inflation of house prices to sustain household confidence and consumption — a model described as structurally unsustainable by both Positive Money and the Institute for Public Policy Research (Positive Money, 2025; Blakeley and Nanda, 2020).

Ann Pettifor's analysis is stark: Britons collectively hold £10 trillion in property wealth but carry £2 trillion in personal debt. While property assets have grown at roughly 10% per year,

household incomes have risen at around 1.5% per year over the past decade. The arithmetic is unsustainable: households cannot service debts growing at ten times the rate of their incomes by selling the roofs over their heads (Pettifor, 2018).

The Speculative Class and Its Political Power

The financialisation of housing has not merely produced an economic distortion. It has produced a political constituency with a material interest in the perpetuation of that distortion.

In the United Kingdom, approximately 65% of the housing stock is owner-occupied. A significant proportion of those owner-occupiers have seen the paper value of their homes appreciate substantially over their lifetime. For many, this appreciation has been the primary source of their accumulated wealth — not wages, not pensions, but the rising market price of the house they live in. Their political interest in rising house prices is real and direct: it funds retirement, inheritance, home improvement, and in some cases the deposit for a child's first home (Pettifor, 2018).

This constituency is disproportionately older, disproportionately suburban, and disproportionately electorally engaged. The political system, under first-past-the-post, systematically overrepresents it. The result is a political economy in which the speculative inflation of housing prices — however damaging to the generation excluded from ownership, however costly in its downstream effects on labour mobility, on the geography of economic activity, on the NHS, and on the state's fiscal position — is structurally rewarded by the electoral calculus.

This is why, as this chapter argues, the response to the financialisation crisis cannot be purely technical. It requires the political will to act against the short-term interests of a large and vocal constituency, in the long-term interest of the country as a whole. That political will, in turn, requires a democratic mandate built on a clear-eyed account of who gains and who loses from the current arrangements.

The Sovereign Wealth Opportunity Foregone

Beyond the failure to direct credit productively, the British state has failed to build a portfolio of public assets generating a return for the public. The contrast with Norway is instructive. Norway's Government Pension Fund Global, founded in 1990 and funded from North Sea oil revenues, held assets equivalent to approximately £1.3 trillion by 2025 — more than £250,000 per Norwegian citizen (Norges Bank Investment Management, 2025). The fund invests globally in equities, bonds, and real estate, and its returns flow to the Norwegian state, funding public services and infrastructure without requiring equivalently high rates of direct taxation.

The United Kingdom extracted North Sea oil revenues over approximately the same period. Those revenues, instead of being invested in a sovereign fund, were used to fund tax cuts and short-term expenditure. The contrast between the Norwegian and British uses of equivalent North Sea revenues has been calculated at several hundred billion pounds — one of the largest self-inflicted economic wounds in the modern history of any European democracy (IMF, 2022).

The same pattern has repeated itself in utility privatisations. The disposal of publicly owned water, energy, and rail companies in the 1980s and 1990s produced one-off receipts that were not reinvested. The dividend streams from those industries — which, in a publicly owned model, would have flowed to the Treasury — were redirected to private shareholders, a substantial proportion of whom are based overseas. The public now pays those dividends through its energy bills, water rates, and rail fares. This is not a side effect of privatisation. It is the intended operating model.

The Regulatory Failure

The failure of private finance to direct credit productively is not simply a failure of markets; it is also a failure of regulation. The regulatory framework for British banks does not require, or even incentivise, productive lending. Capital requirements are broadly calibrated to risk-weighting systems that treat mortgages on residential property as among the safest uses of capital — a designation that is not unreasonable in normal conditions but that systematically privileges property lending over business lending in the bank's internal economics.

No requirement exists, in British banking regulation, for banks to publish a breakdown of their lending by economic purpose, or to demonstrate any proportional commitment to sectors the government has identified as strategically important. The UK Infrastructure Bank, established in 2021, operates with a capitalisation that represents a step in the right direction but at a scale small relative to the investment required (HM Treasury, 2022). The Green Party's 2024 manifesto proposed expanding the UKIB and supplementing it with a network of regional mutual banks, capitalised through an additional

£10 billion of public money (Green Party, 2024; LGA, 2024). That represents the beginning of an adequate response. This chapter argues for the full institutional architecture such a response requires.

Chapter One, Section 1.2

Socialised Finance and Investment: The Proposed Mechanism

Strategic National Investment

Architecture: Three Interlocking Institutions

The response to the financial crisis described in Section 1.1 requires three interlocking public institutions operating within a clear statutory framework and subject to the democratic safeguards described in Section 1.3. The architecture is not novel; all three institutions have close parallels in the governance of other European democracies. What would be novel is their combination as a coherent, statutory system explicitly designed to redirect credit toward national productive capacity.

Institution One: The National Investment Bank

The **National Investment Bank (NIB)** is the central instrument. It is modelled closely on Germany's KfW (Kreditanstalt für Wiederaufbau), which has operated as a public development bank on behalf of the German federal and state governments since its founding in 1948 with Marshall Plan funding. The KfW is not a minor instrument: in 2024 alone, it provided €112.8 billion in financing across its programmes, the majority directed at housing, environmental protection, and infrastructure within Germany (KfW, 2025a). It is primarily financed through its own bond issuance on international capital markets, at rates made advantageous by the implicit backing of the German state, and passes this funding advantage on to borrowers in the form of below-market fixed interest rates (KfW, 2025b).

KfW operates under a governance model explicitly designed to insulate professional lending decisions from short-term political interference: its mandate is set by statute, its supervisory board includes federal and state government representatives alongside independent experts, and its lending decisions are made by a professional management board. Legal supervision is exercised by the Federal Ministry of Finance in consultation with the Federal Ministry for Economic Affairs (KfW, 2025a).

The British NIB would be capitalised by an initial issuance of long-dated government bonds — twenty to thirty-year gilts at rates reflecting the sovereign creditworthiness of the British state. The state's unique advantage in this process is precisely this: it can borrow over horizons no private

financial institution can match, at rates below any commercial equivalent. The NIB passes this advantage on to borrowers in its priority sectors.

Priority lending sectors are defined in the NIB's statutory mandate, approved by Parliament:

- **Social and affordable housing:** Long-term concessionary loans to local authorities, housing associations, and registered community land trusts, for the construction of publicly owned rental housing to the design standards established by the National Design Commission (see Chapter 2).
- **Clean energy:** Loans for onshore and offshore wind, solar, tidal, and grid storage, including to community energy enterprises and cooperatives as well as to the publicly owned national grid.
- **Rail and rapid transit:** Long-term project finance for the network expansion programme described in Chapter 2, including urban metro extensions, regional rail electrification, and cross-country high-speed upgrades.
- **Advanced manufacturing and industrial decarbonisation:** Targeted lending to industries undertaking the capital investment required to shift to low-carbon production processes, with priority for sectors and regions where private capital is systematically absent.
- **Research infrastructure:** Co-investment with universities, national laboratories, and the proposed Medical Research Centres in high-capital research infrastructure — particle accelerators, clinical trial centres, advanced computing facilities — where the investment horizon is too long for private capital.

- **Digital infrastructure:** Loans to complete full-fibre broadband deployment in rural and underserved areas, and to fund the UK Public Services Platform (see Chapter 4).

The Green Party's 2024 manifesto commitment to expanding the UKIB and establishing regional mutual banks, capitalised through a Co-operative Development Fund with £10 billion of additional public money, is the political precedent on which the NIB programme builds (Green Party, 2024; LGA, 2024).

Institution Two: The British Sovereign Wealth and Enterprise Fund

The **British Sovereign Wealth and Enterprise Fund (SWEF)** consolidates existing public asset holdings and acquires new ones over time, building a permanent portfolio of public ownership in strategically significant sectors.

Norway's Government Pension Fund Global provides the governance template. The fund operates under a statutory mandate approved by the Norwegian parliament (Storting), publishes complete quarterly accounts, maintains a board insulated from short-term political direction, and has operated through multiple changes of government over thirty-five years without significant politicisation (Norges Bank Investment Management, 2025). The Norwegian constitutional principle is simple: the fund belongs to future generations as well as present ones, and no government has the right to liquidate it for short-term purposes.

The British SWEF would begin with the consolidation of existing public holdings: stakes in the national grid, shares in publicly part-owned enterprises, the intellectual property portfolios of public research institutions, and the land and

property holdings of central government departments (many of which are managed inconsistently and undervalued). As the renationalisation programmes described in Chapter 3 proceed, the SWEF acquires the equity stakes in water and energy companies returning to public ownership.

The SWEF holds its investments permanently and passively — it does not appoint executives or direct management of the companies it part-owns, except where a threshold of legal non-compliance requires intervention. Its mandate explicitly prohibits withdrawal of assets for short-term Treasury purposes. Withdrawals require primary legislation with a two-thirds Commons supermajority. The fund's quarterly accounts are published in full, including a categorised breakdown of holdings, a record of votes cast at shareholder meetings, and a statement of environmental, social, and governance policy.

The dividend income flowing to the SWEF from its holdings provides a growing non-tax revenue stream for the public treasury — the return, in other words, that was surrendered when public assets were privatised. Over a twenty-year horizon, the cumulative value of this stream is substantial: the combined dividends extracted from the privatised water and energy sectors alone over the period since privatisation represent a sum that could have funded the entire NIB capitalisation multiple times over.

Institution Three: Credit Direction Through Banking Regulation

The third element of the system operates through the regulatory framework governing all banks holding a UK banking licence. It does not require state ownership of the banks. It requires them, as a condition of their commercial authorisation, to operate within a framework that prices productive lending more cheaply and speculative lending more expensively.

The mechanism has two components:

The first is **mandatory sectoral disclosure**. Every bank holding a UK licence publishes annually, in a standardised format on a public register, a breakdown of its total lending by economic purpose: residential mortgages (owner-occupier and buy-to-let, further subdivided by LTV band); commercial real estate; personal consumer credit; and productive enterprise lending (manufacturing, research, infrastructure, green transition, small business, professional services). The disclosure is audited by the Prudential Regulation Authority. The public register is accessible to citizens, researchers, and journalists without restriction.

The second is **graduated capital requirements**. The existing risk-weighting system for bank capital is reformed so that: - Mortgage lending above a defined LTV threshold carries a higher capital requirement than currently, increasing the cost to the bank of high-leverage residential lending; - Buy-to-let mortgage lending carries a surcharge above standard residential rates; - Lending to sectors identified as strategic

priorities in the NIB mandate carries a capital requirement reduction, making it cheaper for the bank to lend in those sectors.

The effect, over time, is to use the bank's own profit-maximising calculus to redirect lending toward the purposes the country needs. This is not credit rationing; no bank is prohibited from lending anywhere. It is a price signal, calibrated through the regulatory framework, that changes the relative economics of different uses of capital.

France's Caisse des Dépôts demonstrates the complementary model in practice. It has operated for over two centuries as a public savings and investment institution channelling long-term capital toward national priorities — in housing, in infrastructure, in local government finance, in social enterprises — without the abolition of private banking or the direction of every lending decision (Caisse des Dépôts, 2024). The principle is co-existence: a public development institution complementing rather than displacing the private financial sector, operating in the spaces where private capital systematically underperforms.

Land Value Capture

A central mechanism for funding the NIB and the SWEF, without recourse to general taxation increases, is the capture of land value uplift generated by public investment.

When the state builds a new railway station, extends a transit line, or grants planning permission for a denser zone, the value of land in the affected area rises — not because the landowner has done anything, but because public decision-making and public expenditure have made that location more

desirable. The conventional British practice has been to allow that uplift to flow entirely to the existing landowner. This is an extraordinary subsidy from the community to private individuals.

Land Value Tax (LVT): A levy on the assessed unimproved value of land — excluding buildings and improvements — would charge landowners a small annual percentage of that value, regardless of what is built on the land. This would discourage the speculative holding of undeveloped land (since carrying cost rises with land value), encourage more productive use of existing sites, and direct a portion of the community-created increment in land values back to the community (Positive Money, 2025). An LVT replacing Council Tax and Business Rates has been supported, at various points, by economists across the political spectrum, and is among the most efficient revenue mechanisms in public finance theory.

Compulsory purchase reform: Compulsory purchase for public infrastructure projects should be valued at existing use value plus a defined premium — not at the speculative “hope value” that reflects anticipated future planning permission. The gap between existing use value and hope value is entirely a product of anticipated public decision-making; there is no economic justification for the public to pay a private landowner for the expectation of public action that the public has not yet taken (Letwin, 2018). This single reform would dramatically reduce the cost of land assembly for housing, transport, and infrastructure, and has been recommended by housing policy specialists across party lines.

Section 106 replacement: The current negotiated developer obligation system, under which local authorities attempt case-by-case to extract social infrastructure contributions from developers, is replaced by a transparent, standardised tariff applied to all development above a defined threshold. The tariff rate is calculated to ensure that a defined proportion of land value uplift is captured for public use, and is reviewed at five-year intervals.

The Green Party Policy Connections

The Green Party's 2024 manifesto is the most fully developed existing statement of comparable financial and investment proposals from a UK political party. Its key commitments relevant to this chapter include:

- Regional mutual banks to drive investment in decarbonisation and local economic sustainability, with capitalisation through a Co-operative Development Fund drawing on UKIB resources and £10 billion of additional public money (LGA, 2024);
- A requirement for all UK-licensed banks to present an investment strategy demonstrating alignment with net-zero and social goals (LGA, 2024);
- A Wealth Tax of 1% annually on assets above £10 million and 2% on assets above £1 billion (Green Party, 2024);
- Reform of Capital Gains Tax to align rates on investment income with those on employment income, addressing the tax treatment of asset speculation relative to work (Green Party, 2024);

- The explicit rejection of “self-imposed straitjacket of conventional fiscal rules” in favour of borrowing to invest in productive public assets (Green Party, 2024);
- Community ownership requirements in new sustainable energy infrastructure (Green Party, 2024b; LGA, 2024).

The NIB and SWEF architecture proposed in this section represents the institutional vehicle through which these financial commitments can operate at the required scale, with the required permanence, and with the democratic safeguards described in the next section.

Chapter One, Section 1.3

Socialised Finance and Investment: The Democratic Safeguard

Accountability Without Paralysis

The most serious objection to any programme of directed public investment is not economic but political: that a state powerful enough to direct credit is powerful enough to direct it toward partisan ends — to reward favoured constituencies, punish opponents, and use economic power as an instrument of political control. This objection is serious and is answered here in detail.

Statutory Mandate, Not Ministerial Discretion

The NIB operates under a statutory mandate defined by primary legislation passed by Parliament. The mandate specifies the categories of eligible lending with sufficient precision to prevent lending to politically favoured vanity projects and sufficient flexibility to evolve with changing national circumstances. The mandate cannot be amended by ministerial direction alone; amendment requires a parliamentary vote on primary legislation.

The supervisory board of the NIB is appointed through a transparent open competition process, with senior appointments subject to cross-party parliamentary confirmation via the relevant select committee. The executive board — which makes all lending decisions — operates under the published mandate and is legally prohibited from accepting direction from ministers on individual lending cases. This mirrors the constitutional arrangement for the Bank of England's Monetary Policy Committee, which sets interest rates within a Treasury-defined mandate but cannot be overruled by the Chancellor in individual decisions (Bank of England Act 1998).

The transparency framework operates as follows:

- Every loan exceeding £50 million is published on a public register within thirty days of approval, with the full terms, the recipient organisation, the stated purpose, the duration, and the executive's written rationale;
- Every quarter, the NIB publishes a complete portfolio review detailing total commitments by sector, repayment performance, and any loans under review;

- Every year, an independent auditor — appointed by Parliament, not by the NIB or the Treasury — reports to the National Development Select Committee on the NIB's performance against its statutory mandate;
- The Select Committee has a statutory right of access to all NIB management papers, model assumptions, and individual loan files above a defined threshold, and the resources to commission its own independent financial analysis.

The SWEF: Ring-Fencing Public Assets

The British Sovereign Wealth and Enterprise Fund operates under a statutory framework specifically designed to prevent two failure modes: short-term Treasury raiding, and political direction of investment decisions.

Against short-term raiding: withdrawals from the SWEF require primary legislation with a two-thirds supermajority of the House of Commons. This is a constitutional ring-fence, not a departmental rule. It is modelled on comparable provisions in the Norwegian petroleum fund legislation, which has protected that fund's assets through multiple changes of government and periods of severe fiscal pressure (Norges Bank Investment Management, 2025).

Against political direction: the SWEF's investment mandate is passive — it holds equity stakes for long-term return and does not seek to appoint executives or direct management decisions. Its sole intervention right is where a portfolio company has committed material legal violations or where the

board has acted in clear breach of its fiduciary duties. These conditions, and the process for exercising the intervention right, are defined in statute and subject to judicial review.

All SWEF quarterly accounts are published in full. The fund's voting record at every company in which it holds a stake is published quarterly. The fund is required to publish an annual policy statement on environmental, social, and governance criteria — including minimum standards on labour practice, tax disclosure, and environmental performance — that it applies to all its holdings.

Credit Direction: Rules-Based, Not Ministerial

The capital requirement reforms and mandatory sectoral disclosure requirements described in Section 1.2 are made by Parliament — through the Financial Services and Markets Act framework and the Prudential Regulation Authority's statutory rule-making powers — not by ministerial direction. The rates and thresholds are set at the initial enactment and reviewed at five-year intervals through a parliamentary process with full independent economic advice. The Treasury cannot, acting alone, suddenly require banks to prioritise a politically favoured project; the framework is statutory, transparent, and legally challengeable.

Distinguishing from Authoritarian Directed Finance

The central distinction between the model proposed here and the directed-finance model of authoritarian states is not mechanical but political.

In China's financial system, credit is directed by institutions that answer to the Chinese Communist Party. There are no competitive elections, no free press able to report loan failures, no independent courts able to challenge lending decisions, and no opposition parties able to scrutinise the portfolio. The correction mechanisms that would expose and redirect misallocation — all of them — do not operate.

In the model proposed here, every element is subject to those correction mechanisms. If the NIB makes bad loans, the National Audit Office will report the fact. If the SWEF's portfolio underperforms, the Select Committee will publish the analysis and the minister must publicly respond. If a government attempts to amend the NIB's mandate for partisan ends, opposition parties, independent economists, and the financial press will identify and contest the attempt. If they succeed in passing the amendment against that scrutiny, the next government can reverse it.

These mechanisms are imperfect. All democratic institutions are imperfect. But their imperfection is qualitatively different from the absence of accountability. The system proposed here is structurally resistant to political capture in proportion to the strength of the democratic institutions surrounding it — and is, therefore, an argument for strengthening those institutions alongside implementing the financial programme, not a reason to avoid the financial programme altogether.

Chapter One, Section 1.4

Socialised Finance and Investment: The European Application

A Common Framework for Directed Capital

The financial failures described in this chapter are not uniquely British. Across the European Union, the same pattern of bank credit flowing preferentially into property rather than productive investment is visible in France, Italy, Spain, Portugal, and several Central and Eastern European states. The European Investment Bank's own annual investment surveys document a persistent investment gap across Europe in manufacturing, research, and green infrastructure (EIB, 2023).

Existing European Public Development Banks

Several European countries already operate public development banks comparable to the NIB proposed for the UK. Their records are instructive.

Germany's KfW has lent €112.8 billion in a single year, predominantly for housing and environmental protection within Germany, and has raised €14 billion through its Green Bond programme (KfW, 2025a). Its AAA credit rating — maintained through the implicit federal guarantee — allows it to pass substantially below-market rates to its borrowers. It has functioned without significant political capture through multiple changes of government over seventy-five years.

France's Caisse des Dépôts et Consignations, established in 1816, manages assets worth several hundred billion euros and provides long-term finance to social housing, infrastructure, local government, and social enterprises. It has been described as “the financial arm of the French state's long-term vision” and operates under specific parliamentary supervision (Caisse des Dépôts, 2024).

Italy's Cassa Depositi e Prestiti plays a comparable role in the Italian economy, providing long-term finance to infrastructure, public utilities, and strategic industries, with assets exceeding €500 billion.

Spain's Instituto de Crédito Oficial (ICO) operates as a development bank focused on SME finance, infrastructure, and export support, with a mandate from the Spanish government to support economic activity in areas where private credit is insufficient.

What does not yet exist is a coordinated European framework through which these institutions operate to common standards, share risk on cross-border infrastructure projects, and coordinate their investment priorities with the European Union's green transition mandates. The European Investment Bank performs a partial version of this function but at insufficient scale and with a governance model that has faced criticism for its distance from democratic oversight (EIB, 2023).

The Coordinated Framework Proposal

A coordinated European framework for public development banking would offer three concrete benefits.

Reduced borrowing costs for all participants: A collective guarantee structure — analogous to the mechanisms developed for Eurozone sovereign debt mutual support — would improve the credit terms available to smaller member states' development banks, which currently borrow at higher spreads than Germany's KfW despite equivalent mandate and governance quality. The cost reduction, passed through to borrowers, would substantially increase the volume of productive lending achievable from the same initial public capital.

Pan-European infrastructure investment: Cross-border rail links, interconnected electricity grids, shared hydrogen infrastructure, and joint research facilities require investment commitments from multiple states simultaneously. No individual state can finance or guarantee these investments alone. A coordinated development bank framework, operating under agreed governance standards, can make binding

multi-decade commitments across borders — the financial equivalent of the TEN-T infrastructure programme, but with a dedicated capitalised institution behind it rather than a series of annual budget allocations.

A European model of democratic state capacity: A coordinated European programme of public development banking, operating transparently, subject to democratic oversight, and demonstrably outperforming the private credit allocation of the last generation, provides the most powerful available counter-narrative to those who argue that democratic states are structurally incapable of strategic economic management.

The UK's Position Post-Brexit

The United Kingdom is no longer a member of EU institutions and does not participate in the European Investment Bank as a shareholder or borrower. The UK Infrastructure Bank's relationship with European counterparts is bilateral rather than institutional. This matters, but it does not prevent the programme described in this section from proceeding.

The UK can negotiate bilateral co-financing frameworks with KfW, the Caisse des Dépôts, and the EIB for specific cross-border projects — particularly in energy infrastructure, where the UK's offshore wind capacity and interconnectors with continental European grids create significant mutual interests. The UK can align its NIB's governance standards with European best practice, facilitating co-investment and market confidence. And the UK can demonstrate, by the

quality of its NIB's performance over time, that a British public development bank merits the same market confidence as its German and French equivalents.

The choice to align with, or to diverge from, European standards in public development banking will be one of the most significant signals of the UK's post-Brexit political economy direction. A UK that builds institutions of comparable quality and transparency to KfW is a UK that is re-joining the mainstream of European democratic governance, regardless of its formal institutional position.

Chapter Two, Section 2.1

Radical Urbanism and Infrastructure: The Current Crisis

“Housing shortages make boom-bust cycles, real estate bubbles, and speculation worse.”

— *Centre for Cities (2019)*

Planning as a System Designed to Fail

What British Planning Actually Does

The planning system of England and Wales is one of the most unusual in the developed world. Introduced by the Town and Country Planning Act 1947 and elaborated across seventy-five years of subsequent legislation, guidance, and case law, it is built on a single foundational principle: that every significant development requires individual permission from a local planning authority, which must weigh the merits of that specific application against a range of material planning considerations, consult widely, and exercise its judgement.

This principle is not, in itself, unreasonable. Local democratic accountability over the character and use of place is a genuine value, and the history of planning in Britain includes real achievements: the preservation of landscapes, the protection of historic environments, the creation of national parks, and the prevention of the worst excesses of speculative industrial development. The system works, in these terms, as a brake.

What it does not do — and was not designed to do — is enable the rapid construction of the homes, infrastructure, and energy capacity that a modern society requires. As a planning system, it is excellently calibrated for conservation and profoundly miscalibrated for delivery (Centre for Cities, 2019).

The core mechanism of failure is discretion. In most European planning systems, land is zoned for defined uses at defined densities, and a project that meets the applicable zoning standards receives automatic or near-automatic approval. In

England and Wales, the local planning authority exercises discretion on each application, applying a development plan that is itself advisory rather than binding, and weighing a range of “material considerations” that can include almost anything a sufficiently motivated objector cares to raise. The result is that a planning decision which takes three months in the Netherlands or Denmark can take three years in England — and a judicial review, available to any citizen with standing, can add a further two or three years after that (Letwin, 2018).

The Cost of Delay

The cost of this delay is not abstract. It is embedded directly in the price of every new home built in England.

A developer operating in the British planning system must assume, as a baseline, that a significant application will take eighteen months to three years to determine, that the outcome is uncertain, and that a judicial challenge is possible regardless of the outcome. This uncertainty has a financial cost: the carrying cost of land assembled for development continues to accrue during the planning process. The risk premium for a development that might not receive permission must be priced into the financial model. Both costs are passed on, in the end, to the purchaser of the finished home (Centre for Cities, 2019).

The concentration of the UK development market in a small number of large firms is itself partly a consequence of the planning system. Smaller developers cannot absorb the financial risk of multi-year planning applications. The large firms that can have also developed, over decades, the political and legal expertise to navigate the system to their advantage

— including the practice of “land banking”: accumulating sites with planning permission that are deliberately not developed immediately, because the price of consented land continues to rise faster than the return from building on it (Letwin, 2018).

Housing completions in England have run consistently below the rate of household formation for most of the period since 2008. The resulting deficit — variously estimated at between two and four million homes — is the immediate structural cause of the housing affordability crisis (Green Party, 2024). It is worth stating this clearly: the housing crisis is not primarily a consequence of insufficient demand management or of the behaviour of individual buyers and sellers. It is a consequence of a planning system that has, for structural and political reasons, consistently failed to permit the supply of homes the population requires.

The National Infrastructure Catastrophe

If the planning system has failed housing, it has failed major national infrastructure even more comprehensively.

High Speed Two (HS2) is the most extensively documented example. First proposed in 2009, it is the United Kingdom's first major new railway since the construction of the Channel Tunnel Rail Link. Its initial budget was approximately £33 billion. By 2023, its estimated total cost had risen to a range of £45–56 billion. In October 2023 the Prime Minister announced the cancellation of the northern legs (Birmingham to Manchester and Birmingham to Leeds) and the London extension from Old Oak Common to Euston, reducing the programme to a single line from Old Oak Common to Birmingham — after fifteen years of preparation, billions in sunk costs, and the demolition of significant existing infrastructure in preparation for construction (NAO, 2024).

The cost-per-mile of HS2, even in its reduced form, has been calculated as among the highest of any comparable railway in the world. The reasons include: land acquisition at “hope value” rather than existing use value; the costs of legal challenges and public inquiries; the cost of the planning and consultation process itself; and the management consultancy engaged throughout the programme. By contrast, comparable rail projects in France — where infrastructure governance insulates major projects from short-term political cancellation and land acquisition is conducted at existing use value — have been delivered at a fraction of the UK cost per kilometre and broadly on original timescales (SNCF Réseau, 2023).

The difference is not in the quality of French engineering. It is in the political and institutional architecture surrounding project delivery.

A Brief Typology of Planning Failure

The failures of the British planning system cluster into four recognisable types:

The legal challenge trap: Because planning decisions are discretionary, they are vulnerable to judicial review on grounds of process, not merely substance. A developer whose application is refused, or a local resident group opposing a development, can challenge in court on the basis that the authority failed to properly consider a material consideration, failed to follow a procedural requirement, or reached a decision no reasonable authority could have reached. This route is disproportionately available to those with resources and legal knowledge, creating a systematic bias in who can exercise the veto.

The viability negotiation trap: Developer obligations — the social infrastructure contributions extracted from developers through Section 106 agreements — are subject to viability assessments in which developers can claim that a development is unviable unless its social obligations are reduced. The assessment process is opaque, the assumptions are commercially sensitive, and the result is consistently that developers negotiate down their obligations. The social infrastructure that communities are promised in return for accepting development frequently does not materialise (Letwin, 2018).

The NIMBY trap: Low-density suburban homeowners, who are disproportionately present in local planning committee electorates, have a direct financial interest in preventing nearby development that might reduce land values or change neighbourhood character. The planning system provides extensive procedural routes for organising and sustaining that opposition. It does not provide equivalent routes for the people excluded from the housing market who would benefit from the development.

The connectivity trap: Because housing development and transport infrastructure are planned separately, new housing estates are routinely built without the public transport connections that would make car-free living viable. This generates car dependency by design, creates pressure for road widening, degrades air quality, and produces the isolating suburban environment described in Chapter 3.

The Sprawl Problem

Beyond the failures of planning and infrastructure delivery, Britain has a built environment problem that compounds both. The dominant form of residential development in England over the past fifty years has been low-density suburban housing: two-storey detached and semi-detached houses on the edges of existing settlements, connected almost exclusively by private car.

This model of development is expensive at every level: expensive in land consumed per home; expensive in infrastructure required per home (longer roads, longer sewers, longer water supply pipes, longer electricity and broadband cables); expensive in the public transport services required to serve it (which are, at the densities involved, almost always uneconomic); and expensive in social costs, because the environments it creates are documented to be among the loneliest in the developed world (Jo Cox Commission, 2017).

The country has simultaneously built too few homes in total and built the wrong kind of homes in the wrong places. The programme set out in Section 2.2 addresses both failures together.

Chapter Two, Section 2.2

Radical Urbanism and Infrastructure: The Proposed Mechanism

“Around 50 percent of all Viennese live in subsidised dwellings — either in one of the 220,000 municipal units or in one of the 200,000 co-operative flats built with municipal subsidies.”

— *Wiener Wohnen (2024)*

Public Luxury and the Right to the City

Reframing the Goal

This section’s proposals are framed around the concept of **Public Luxury**: the principle that the built environment, the public realm, and the services embedded within it should be of the highest possible quality — universally accessible, generously designed, and treated as a matter of national pride rather than residual provision.

The opposite of public luxury is not private luxury. Private luxury already exists in abundance in the United Kingdom, and this section does not propose to restrict it. The opposite of public luxury is the current condition of the British public realm: the underlit station with missing tiles, the crumbling

road surface, the bare social housing estate with peeling paint and broken lifts, the town centre of empty shops and identical fast-food outlets, the new development without a single tree. These conditions are not the inevitable consequence of limited national wealth. Britain is a wealthy country. These conditions are the consequence of a political-economic model that has systematically diverted public resource toward private extraction.

The Vienna model demonstrates the alternative. Vienna has maintained a programme of publicly built, publicly owned housing since the 1920s. Approximately 50% of Vienna's 2 million residents live in publicly subsidised housing: either in one of the 220,000 municipal flats managed by the city's housing authority Wiener Wohnen, or in one of the 200,000 cooperative flats built with municipal subsidy (Wiener Wohnen, 2024). Average rents in city-owned housing are set at €6.67 per square metre — substantially below private rental rates of €12–22 per square metre (SBS Dateline, 2026). The income limit for accessing municipal housing is set above €3,200 per month net for a single person: Vienna's social housing is not residual provision for the destitute; it is mainstream housing for the working and middle classes (Equal Times, 2024).

Critically, Viennese social housing is not visually distinguishable from private housing. The architectural quality is high; the integration with parks, public transport, schools, and health facilities is systematic; no stigma attaches to living in the public sector. Vienna has been named the world's most liveable city in multiple years by the Economist Intelligence Unit (Equal Times, 2024). Its housing model is a significant contribution to that distinction, and it is directly replicable.

A Zoning-Based Planning System

The replacement of England and Wales's discretionary planning system with a rules-based, standards-driven zoning system is the prerequisite for the housing and infrastructure programme described in this section. The proposed model has three tiers.

Tier One: The National Planning Framework is a piece of primary legislation, debated and approved by Parliament, which sets binding standards for: minimum residential density in defined urban zones; permitted uses within each zone category; environmental performance standards (energy efficiency, drainage, biodiversity net gain) for new development; transport connectivity requirements for sites above defined thresholds; heritage protection designations and their effect on permitted uses; and the processes by which zoning designations may be challenged or amended. The framework replaces the existing body of National Planning Policy Guidance, which has advisory rather than binding status.

Tier Two: Regional Spatial Plans are prepared by elected regional authorities — expanded from the current combined authority structures in England — allocating land to zone categories consistent with the national framework. Regional plans specify where high-density development will occur, where employment land will be allocated, where transport infrastructure will be prioritised, and where environmental protection and conservation designations apply. Regional plans are debated and approved by elected regional assemblies, subject to public consultation and independent examination, and reviewed every ten years.

Tier Three: Local Development Rights flow automatically from the combination of the national framework and the regional plan. A development proposal that meets the applicable standards for its zone — on density, design quality, energy performance, and transport connectivity — receives permission automatically without a local authority hearing. This is the “by-right” development model used in most of continental Europe and in much of the United States. Discretionary consideration is retained for a defined category of exceptions: nationally designated heritage or nature conservation sites; challenges on clearly specified grounds; and the largest infrastructure schemes, subject to a national development consent process with a defined, bounded timeline.

A National Housing Programme

The planning reform creates the legal conditions for building. The NIB (Chapter 1) provides the finance. The programme specifies what is built, where, and to what standard.

The proposed National Housing Programme commits to constructing a minimum of 150,000 social and affordable homes per year — the figure adopted by the Green Party, which noted in its 2024 manifesto that this is the minimum necessary to begin closing the accumulated housing deficit (Green Party, 2024). This is in addition to private sector completions and represents a floor, not a ceiling.

The programme draws explicitly on the Vienna model:

Neighbourhood density, not towers: New social housing is built at mid-rise densities of six to twelve storeys where urban context permits, in the tradition of the Viennese Gemeindebau

— mansion blocks of generous flats with communal gardens, shared facilities, and ground-floor active uses (Wiener Wohnen, 2024). The target is streets, squares, and courtyards that create active, safe public realm, not isolated towers in open space.

Integrated services within five minutes: Each new neighbourhood development of more than five hundred homes includes, within its planning consent, a primary school, a GP surgery, a public park of defined minimum size, a community hall, and ground-floor commercial uses. Infrastructure follows the homes immediately, not a decade later.

Mixed tenure as standard: Every new development maintains a minimum proportion of social rented housing at rents tied to local median incomes, not to a percentage of market rent. The definition of “affordable” is anchored to what people actually earn, not to what the market charges.

Design quality by statute: An independent National Design Commission, operating at arm’s length from government and from the development industry, sets and enforces minimum design standards for publicly funded housing. These standards specify street-level active frontage, minimum ceiling heights, communal space provision, natural light standards, and materials quality. Good architecture at mass scale is not merely achievable — Vienna, Amsterdam, and Helsinki have demonstrated it repeatedly — but is a direct public health and social cohesion investment.

A Metropolitan Area on Rails

The UK's rail network is fragmented, expensive, and — outside London — inadequate for the modal shift required by both climate and productivity targets. The Green Party's 2024 manifesto committed to a £19 billion five-year public transport investment programme, including rail electrification and the return of railways to public ownership (Green Party, 2024; LGA, 2024). This section builds on that commitment.

Great British Railways, brought fully into public ownership under a single operating mandate, would operate with:

- A single national fare structure with zonal pricing and integrated ticketing across all modes — rail, bus, cycle hire, and urban transit;
- A published twenty-year capital investment plan, approved by Parliament under the long-term project protection mechanisms of Chapter 4;
- A capital programme financed through the NIB, replacing the current patchwork of private finance, government grant, and franchise subsidy;
- A network electrification programme covering every major route by 2035;
- New cross-country connections — Sheffield to Leeds via Bradford, Cambridge to Oxford, Bristol to Birmingham — that close the longstanding gaps in the national network;
- Integrated freight pathways, reducing the lorry miles currently generated by a network that prioritises passenger over freight.

The operational model is Great British Railways as a single accountable public operator — not a holding company over fragmented franchises, not a privatised structure with a public subsidy layer, but a direct public railway on the model of SNCF or Deutsche Bahn.

Green Concrete: The Everyday Public Realm

The visible face of the state is the public realm — the streets, bridges, underpasses, roundabouts, motorway embankments, and railway viaducts that constitute the daily physical experience of living in the country. In the United Kingdom, this fabric is, for the most part, grey, untended, and inhospitable. It need not be.

The practice of covering infrastructure with vertical planting — vines, climbers, wall-mounted planters, engineered soil systems on embankments, tree canopies over arterial roads — is now well-established in Chinese, French, and German urban design. Cities including Chengdu, Singapore, Stuttgart, and Lyon have demonstrated measurable environmental benefits: reductions in urban heat island effect, improvements in air quality through particulate capture, management of stormwater runoff, and support for urban biodiversity (Chengdu Urban Planning Bureau, 2022). It also transforms the aesthetic quality of public infrastructure and communicates, at the level of daily experience, that the public realm is valued.

Every major infrastructure project funded through the NIB and approved under the new planning framework carries a requirement for integrated green infrastructure as a proportion of capital budget. Existing motorway and railway embankments are progressively planted under a national

programme. The “green concrete” principle is embedded in planning standards as a non-negotiable component of design quality, not left to individual developer discretion.

Chapter Two, Section 2.3

Radical Urbanism and Infrastructure: The Democratic Safeguard

Rules-Based Planning Under Democratic Mandate

The Accountability Problem in Planning Reform

Critics of planning reform from the right argue that a zoning system removes local democratic control over development. Critics from the left argue that by-right development removes the ability to negotiate social obligations from developers case by case. Both objections are serious, and both deserve a direct and honest response.

The response to the first objection — the democratic control argument — is that the discretionary planning system does not, in practice, represent democratic control. It represents the control of whoever has the resources, time, and professional knowledge to engage with individual planning applications: large development firms with legal teams, amenity groups with affluent and articulate members, and individual objectors with sufficient leisure and professional knowledge to navigate the process. The planning committee is not, in the majority of contested cases, a deliberative

democratic body; it is a forum in which competing legal and political pressures are resolved, frequently in ways that privilege the loudest voices over the broadest public interest.

The zoning model proposed here is not less democratic. It is differently democratic: it locates democratic input at the regional plan stage, where it takes the form of genuine deliberative participation in the definition of long-term land use strategy, rather than at the individual application stage, where it functions as an informal veto available disproportionately to those with resources. The regional plan is subject to full democratic scrutiny: open public consultation, independent examination, elected assembly approval, and statutory review cycles. What is removed is not democratic participation but the opportunity to re-litigate, through case-by-case application discretion, decisions already taken through the regional plan process.

The response to the second objection — the social obligation argument — is that social obligations embedded in zoning standards are systematically more effective at securing community benefit than case-by-case negotiated obligations. Viability-assessed Section 106 obligations are routinely negotiated down or simply not delivered; they are opaque, inconsistent across authorities, and provide no predictable baseline for communities to rely on. Standards set in the zoning framework — minimum affordable proportions, public open space ratios, school and GP provision requirements, transport connectivity standards — apply universally, cannot be negotiated away, and are known in advance by every party.

Compulsory Purchase: Rights Protected, Windfalls Recaptured

The programme described in Section 2.2 requires, in some cases, the compulsory acquisition of land. This is a significant public power, and its exercise must be bounded by four statutory safeguards.

First, compulsory purchase must meet a statutory test of public benefit, assessed independently, with full reasons published.

Second, the decision to acquire must be subject to independent judicial challenge — not to challenge the policy (which is a parliamentary decision) but to challenge its application in any specific case.

Third, compensation must be paid at existing use value plus a defined premium, assessed independently. The community does not pay a landowner for the expectation of public decisions not yet taken.

Fourth, the process must be completed within a statutory maximum timeline, preventing the judicial challenge route from becoming an indefinite delay mechanism.

What is not protected is the right to capture windfall gains created wholly by public investment. This is not, in any philosophically coherent sense, an expropriation of private value: the windfall is public value that has temporarily sat in a private account. Recapturing it for the community is simply the correction of an accounting error.

Protected Areas and Heritage

The zoning system does not apply uniformly. Areas of Outstanding Natural Beauty, National Parks, Sites of Special Scientific Interest, registered battlefields, listed buildings and their settings, and conservation areas in established historic environments carry heightened protection designations that constrain the automatic by-right approval pathway. Development in these areas continues to require discretionary consent under stricter criteria, with specific heritage and landscape impact assessments required.

This carve-out is not an unlimited NIMBY charter. It applies to specifically designated, mapped, and publicly registered areas, defined by objective criteria and reviewed on statutory cycles. A landowner in a heritage conservation area retains stronger protection against development; a landowner on a brownfield industrial site in a city centre does not.

Chapter Two, Section 2.4

Radical Urbanism and Infrastructure: The European Application

A Continental Standard for Urban Quality

Urban policy is, in most European countries, primarily a municipal and regional matter. This is appropriate: the needs of Milan differ from those of Dresden differ from those of Glasgow. No single European urban model is universally applicable.

What can be shared across Europe is a standard of ambition — a commitment that the public realm across the continent should be of a quality reflecting the genuine wealth of European democracies, and that access to good housing, good transport, and good public space is a right rather than a privilege of postcode or income.

The Vienna Model's International Reach

Vienna's social housing programme has already attracted significant international attention. Delegations from cities across North America, Australia, and Asia have visited Wiener Wohnen to study its governance model, its design standards, and its maintenance approach (House Our Neighbors, 2024; NPR, 2025). Several US cities are actively piloting social housing models directly inspired by Viennese practice (NPR, 2025). Vienna has been the world's most liveable city, by the Economist Intelligence Unit's measure, for consecutive years.

The particular features of the Vienna model that are internationally replicable are:

- **Permanent municipal ownership:** The refusal to sell municipal housing stock is what prevents the Right to Buy attrition that has eliminated the social housing supply in the UK. Vienna has never sold its housing stock to sitting tenants; the stock is an asset held in perpetuity for current and future residents (Wiener Wohnen, 2024).
- **Mixed income from the outset:** The income threshold for access is set at levels that include working professionals, not only the most destitute. This prevents the concentration of poverty and stigmatisation of public housing that characterises the residualised British model.
- **Architectural quality as policy:** The design standards for public housing are set at the same level as private housing. There is no visible difference; there is no "council house aesthetic."

- **Scale as price anchor:** The sheer volume of publicly owned housing — 50% of the total stock — exerts a permanent downward pressure on private rents throughout the city. The public and private markets are not separate; the public market disciplines the private one (Wiener Wohnen, 2024).

A European Spatial Development Framework

A European programme of shared urban standards would begin from the ESPON research network — which already produces comparative analysis of European spatial development — and build toward a framework of minimum expectations for member state urban policy. The framework would not mandate solutions; it would create shared baseline metrics:

- Minimum public transport provision per thousand residents within defined urban areas;
- Maximum average commute time by public transport from defined catchment zones to employment centres;
- Minimum provision of publicly accessible green space per resident in urban areas;
- Minimum proportion of new housing development that must be social or affordable rented;
- Benchmarks for housing cost as a proportion of median household income.

Member states would be assessed against these benchmarks annually, with results published and discussed at European Council level. The framework would have no binding enforcement mechanism — this is a baseline standard, not a directive — but the transparency would provide political support for national governments seeking to invest in public

housing and transport, and would create an evidence base for European co-financing through the Structural Funds and Cohesion Policy.

Coordinated Rail Infrastructure

Cross-border rail in Europe has improved significantly through the EU's open access framework and Connecting Europe Facility investment. But it remains significantly inferior to domestic high-speed networks, particularly for medium-distance international journeys — London to Paris, Amsterdam to Berlin, Madrid to Paris — that ought to be natural rail markets but where booking complexity, frontier delays, and pricing structures favour air travel.

A coordinated European approach to cross-border rail — shared booking platforms, harmonised ticketing standards, joint investment in bottleneck corridors — would transform both the environmental and economic efficiency of European travel. This is a project in which the UK, despite Brexit, has a strong interest: improving the Eurostar/Channel Tunnel links and the domestic UK connections feeding them is one of the highest-return infrastructure investments available, connecting the UK to the European rail network in a way that currently, astonishingly, cannot be achieved without a journey change.

Chapter Three, Section 3.1

Public Services and Social Connection: The Current Crisis

“Private Finance Initiatives have created highly effective vehicles for financial stakeholders to suck billions of pounds in dividend payments out of the NHS budget.”

— *Centre for Health and the Public Interest (2023)*

The Outsourcing Economy and Its Costs

The Middle Layer

Every pound a UK citizen pays in water rates, energy bills, or council tax is, in part, a payment not for the service itself but for the architecture through which the service is delivered. That architecture — a complex superstructure of contractors, subcontractors, holding companies, management layers, and financial instruments — sits between the public and the service, extracting a margin at every level. Understanding this extraction is the beginning of understanding why public services in the United Kingdom cost so much, work so badly, and are so difficult to improve.

The Private Finance Initiative is the paradigm case. Introduced in 1992 and dramatically expanded under New Labour from 1997, PFI was premised on the claim that private sector management and private capital would deliver public infrastructure more efficiently than direct public procurement. Under a PFI contract, a private consortium designs, builds, finances, and operates a public facility — a hospital, a school, a prison — for a period of typically twenty-five to thirty-five years, receiving a stream of “unitary payments” from the public body throughout.

By October 2007, the total capital value of UK PFI contracts stood at £68 billion, committing the taxpayer to future repayments of £215 billion over the life of the contracts — more than three times the capital value (Wikipedia, 2025). This extraordinary multiple reflects not the quality of infrastructure built but the cost of private capital used to build it. Governments borrow at rates reflecting sovereign

creditworthiness; private consortia borrow at higher rates reflecting commercial risk. In the majority of PFI cases, the risk nominally transferred to the private sector was minimal in practice — the public body was required to make the unitary payment regardless of service quality — while the premium paid for private capital was real (Pollock et al., 2002).

PFI in the NHS: A Documented Catastrophe

Analysis of 99 NHS PFI schemes by the Centre for Health and the Public Interest found that since 2004, almost £2 billion had been generated in profit before tax within the special purpose vehicles that own PFI contracts, with over £1 billion paid out in dividends — directly from NHS budgets to financial investors (CHPI, 2023). At the University College London Hospital PFI, the management company recorded 50% of its turnover as profit before tax over the relevant period, paying out £200 million in dividends (CHPI, 2023).

The CHPI estimated that elevated RPI inflation added a further £470 million to the NHS PFI bill over a two-year period alone, because PFI unitary payments are typically indexed to RPI (CHPI, 2023). These are not marginal costs. Academic research has found that hospitals financed through PFI experienced 30% cuts in bed capacity and 20% reductions in staff, relative to equivalent hospitals built with direct public capital — costs paid not in the abstract but by patients on waiting lists (Pollock et al., 2002).

The Water Catastrophe: Privatisation's Clearest Failure

The privatisation of England and Wales's water and sewerage companies in 1989 is the most thoroughly documented failure of the outsourcing model in British history. The companies were sold with the explicit promise that private ownership would bring investment, efficiency, and the elimination of public subsidy. Three and a half decades later, the outcome is clear.

England's water and sewerage companies discharged untreated sewage into waterways for 12.7 million monitored hours between 2019 and the end of 2023 (Nature Water, 2025). Serious pollution incidents surged by 60% in 2024, a development the Environment Agency described as "simply unacceptable" (New Civil Engineer, 2025; EA, 2025b). In 2025 — a drought year when storm overflow use should have been minimal — nearly 300,000 sewage discharges were recorded lasting approximately 1.9 million hours (EA, 2025a; Rivers Trust, 2026; House of Commons Library, 2026). Richard Benwell, Chief Executive of Wildlife and Countryside Link, stated the evidence pointed to "systemic failure: multiple sources of pollution, weak oversight and no single body taking responsibility for the health of our waters" (Natural World Fund, 2026).

Thames Water, serving thirteen million people in Greater London, was carrying £17.6 billion in debt in 2025 — accumulated through Macquarie Group's practice of borrowing against company assets to fund shareholder returns rather than infrastructure investment (Gresham College, 2025). It was fined £104 million for sewage discharges in August 2024 and a further £18.2 million in

December 2024 for paying unjustified dividends. When it required £500 million in emergency equity, its shareholders refused (Gresham College, 2025).

Nature Water’s peer-reviewed analysis found that the water companies’ public communications employed twenty-two of twenty-eight recognised industry deception tactics — the same playbook used by asbestos and tobacco industries to delay accountability (Nature Water, 2025).

Social Care: The Private Equity Extraction Machine

The majority of adult social care in England is now delivered by private sector providers operating on local authority contracts at rates progressively squeezed by fifteen years of funding cuts. Many providers are owned by private equity firms that have extracted value through leveraged buyouts, leaving operating companies with high debt loads and minimal financial resilience. The result is periodic care provider collapse — chains failing without warning, leaving local authorities to make emergency provision for hundreds of residents at days’ notice.

Hourly rates paid to care workers — many on zero-hours contracts — are insufficient to attract or retain a stable workforce. Waiting lists for social care assessments have grown in parallel with NHS waiting lists, creating a combined blockage in the health and care system that contributes directly to the crisis in hospital capacity. The Green Party committed to an additional £20 billion per year in social care and free personal care along the Scottish Government model

(LGA, 2024; Green Party, 2024). The case for universalisation has been made across parties; the politics is the remaining obstacle.

The Closing of the Commons

Behind the material failures of water, healthcare, and housing, a social crisis has deepened with less public documentation but considerable human significance. The United Kingdom is one of the loneliest countries in Europe. The Jo Cox Commission on Loneliness found that nine million people in the UK often or always feel lonely — a public health burden comparable to smoking fifteen cigarettes a day (Jo Cox Commission, 2017).

The drivers are multiple, but among them is the systematic closure of the civic and community infrastructure that had once provided contexts for informal social connection. Approximately 770 libraries closed between 2010 and 2022 (CIPFA, 2023). Hundreds of community centres, sports facilities, and public swimming pools were lost to austerity budgets. The public realm — the spaces within which strangers encounter one another without commercial mediation — shrank. What replaced it was nothing, or the drive-through.

Chapter Three, Section 3.2

Public Services and Social Connection: The Proposed Mechanism

Bringing Services Back to the Public Realm

Ending the PFI

The most immediate, concrete, and financially significant reform available in public services is the termination of the Private Finance Initiative model.

The programme has three components. First, **existing PFI contracts are audited for compliance**. Where a contractor has failed to meet its contractual obligations — maintenance standards, service level commitments, reporting requirements — the public body has legal grounds for contract termination without penalty. A national audit programme, resourced from within the National Audit Office with specialist legal and financial support, carries out these assessments systematically across all NHS, local authority, and central government PFI contracts over a defined three-year period. The CHPI has already demonstrated, in its analysis of NHS schemes, that the evidence base for such audit is considerable (CHPI, 2023).

Second, **buyouts where economics favour them**. On the terms of most PFI contracts, the public body has the option to acquire the contract at the Net Present Value of remaining unitary payment obligations, discounted at an appropriate rate. The NIB (Chapter 1) provides the finance for buyouts where the discounted cost of the remaining PFI stream exceeds the NIB's refinancing rate — which, in many mature PFI contracts with elevated inflation-indexing, it now does. In these cases, the buyout is simply good arithmetic.

Third, **no new PFI contracts by primary legislation**. This is a single clause bill: the state may not enter into private finance initiative contracts for public infrastructure. The principle has been endorsed by the Treasury Select Committee, the National Audit Office, and multiple independent public finance economists. It is not, at this point, a contentious policy position; it is the delayed conclusion of a generation of evidence.

Energy and Water: The Public Ownership Programme

The five major retail energy companies are brought into public ownership over a defined period. Energy retail in the UK is not a genuinely competitive market. A small number of companies sell the same commodity from the same national grid at prices determined by the same wholesale market mechanisms, to consumers who cannot meaningfully reduce their consumption in response to price signals. The private intermediary layer generates no value for the consumer; it captures a margin on transactions that would occur regardless of its involvement.

The Green Party's 2024 manifesto proposed nationalisation of the five big retail energy companies and the water utilities, with an indicative cost of approximately £30 billion for each programme (LGA, 2024). These figures represent equity buyout costs; they do not account for the ongoing savings from eliminated profit margins and reduced debt servicing, which over a twenty-year horizon substantially exceed acquisition cost.

The water and sewerage companies of England and Wales are brought into public ownership on a parallel programme. The immediate post-acquisition priority is capital investment in the infrastructure maintenance backlog. The Environment Agency's own assessment points to base expenditure allowances of £20 billion for the wastewater network over the 2025–2030 period alone (EA, 2025b). This investment can be financed considerably more cheaply by a publicly owned water authority borrowing through the NIB than by a private company carrying commercial debt at premium rates while simultaneously extracting dividends.

The remunicipalisation precedent is well-documented. Paris returned its water supply to public management in 2010 after twenty-five years of private concession, and within three years had reduced water bills by 8% while increasing network investment (Food and Water Watch, 2019). Dozens of cities across Europe and Latin America have followed comparable paths, with broadly consistent findings: costs fall, investment rises, and water quality improves (Food and Water Watch, 2019).

Polling consistently finds majority public support for public ownership of energy and water across all voting groups, including those who identify as Conservative voters (IPSOS, 2024). The political resistance is concentrated among those whose financial interests are directly implicated, not among the population at large.

Community Canteens and the Rebuilt Commons

Every neighbourhood should have a place where a person can eat a good meal for £2 to £3, sit for as long as they wish, and encounter their community without a commercial transaction framing the interaction. This is not welfare provision; it is a civilisational minimum, and it is normal in several European countries.

The proposed **Community Canteen** network draws on four converging precedents:

The **British Restaurant**, a wartime institution providing subsidised communal meals at scale across Britain from 1940 to 1947, demonstrated that state-run communal eating could be operated efficiently, serve broad social purposes, and be genuinely welcomed. It was closed not because of failure but because the political culture of the post-war period associated communal eating with emergency rather than normality.

The **Spanish centros de día**, publicly funded day centres providing meals, activities, and social contact for elderly citizens, have been associated with measurable reductions in depression, hospitalisation, and social isolation in evaluated programmes across multiple Spanish municipalities.

The **Italian mense sociali**, state-subsidised canteens in university cities and town centres across Italy, provide accessible meals to students, workers, and elderly citizens at a fraction of commercial rates — integrated into the social fabric of Italian urban life without comment or controversy.

The **UK school breakfast club** model has demonstrated repeatedly that providing meals in a social context at low cost produces measurable benefits to attentional, educational, and social outcomes for participating children.

Capital investment for a national Community Canteen network — approximately one facility per five to ten thousand population, located in publicly owned buildings or ground-floor spaces in new social housing developments (Chapter 2) — is modest relative to the documented public health and social cohesion benefits of comparable programmes (Jo Cox Commission, 2017).

Universal Services Package

The following package of universal services are proposed as direct public delivery, without means-testing:

Free personal care for all adults requiring it. The means-tested assessment that currently requires elderly people to exhaust their savings before receiving care is replaced by universal entitlement, removing the arbitrary distinction between “health care” (free) and “social care” (means-tested). Scotland has demonstrated that this is administratively achievable and economically sustainable (Green Party, 2024).

Universal free school meals for all pupils in state-funded schools. The administrative cost of means-testing, the stigma of entitlement, and the documented positive effects on attentional outcomes for all children collectively justify universalisation. Finland has operated universal free school meals for decades with positive documented effects (Green Party, 2024).

Restored Sure Start centres: At least 3,500 children's centres across England providing integrated early years support to families, restoring the programme substantially eliminated between 2010 and 2018. The Green Party committed to £1.4 billion per year in local authority investment in Sure Start (LGA, 2024).

Free bus travel for under-18s: Reducing car dependency, promoting social mobility, and providing tangible daily benefit across income levels. Already operated in several UK devolved administrations.

Community health hubs: Integrated GP, mental health, physiotherapy, and social prescribing services, co-located in the community canteen buildings and accessible without appointment for non-urgent needs.

Chapter Three, Section 3.3

Public Services and Social Connection: The Democratic Safeguard

Accountability, Scrutiny, and the Citizen

Service Charters and Transparency

Every public service operating under this programme operates under a **published service charter**, approved by the relevant parliamentary or council authority. The charter specifies the standards a citizen can expect, the complaint channels available, the timescales for resolution, and the consequences for the service body if standards are not met. Performance against the charter is published quarterly in plain language accessible to a citizen without specialist knowledge. Deliberately opaque performance reporting — a well-documented practice in both PFI contracts and NHS communications — is prohibited.

Citizen Juries and Independent Scrutiny

Randomly selected **citizen panels** — using the sortition principle that underpins trial by jury — are established for each major public service: water, energy, the NHS, public transport, and local social services. Panellists receive training, time, and resource to scrutinise the service from the user’s perspective. Their reports are published and must receive a formal response from the service authority. Where a panel identifies a significant failure, the relevant parliamentary committee is required to receive both the report and the response, and may summon the senior responsible officer.

Citizens’ assemblies have been used effectively in the UK (the Climate Assembly, 2019–20) and in Ireland (the Citizens’ Assembly that produced the marriage equality referendum, 2015) (Citizens’ Assembly Ireland, 2016). Their extension to ongoing public service scrutiny is a natural development of an established democratic form.

Regulatory Reform

The independent regulators — Ofwat, Ofgem, Ofcom — are restructured. As services return to public ownership, their role shifts from economic regulation of private monopolies to quality and environmental regulation of public utilities. Their boards require a majority of public-interest representatives — citizens, environmental experts, public health professionals — with industry representation limited to a defined minority. All decisions are published with full supporting reasoning. Senior appointments require parliamentary confirmation. A five-year post-employment restriction closes the revolving door between regulator and regulated industry.

Chapter Three, Section 3.4

Public Services and Social Connection: The European Application

Universal Services as a European Standard

The community and service proposals in this chapter have parallels across Europe that go largely unacknowledged in British policy debates — in part because they are so normal in their European context as to require no comment.

Free or heavily subsidised public transport for young people is standard across much of northern Europe. Universal free school meals are the norm in Finland and several Nordic states. Free personal care for the elderly is established in Scotland, Finland, and several European countries. State-subsidised canteen networks serving affordable meals to students, workers, and elderly citizens operate without controversy in France, Italy, and Spain. Public ownership of water utilities is the norm in Germany, France, Austria, and most of Scandinavia.

What is unusual, in the European context, is not the existence of these provisions but their absence in the United Kingdom. Britain's service model is, by European standards, anomalous:

a wealthy country that has systematically chosen to provide fewer universal services, at lower quality, with more means-testing, at greater total cost per unit of outcome, than its peers.

A Floor, Not a Ceiling

A European programme of minimum service standards — water quality, energy pricing, social care provision, early years support — anchored in the EU Charter of Fundamental Rights and the European Social Charter would give national governments political support for the investment needed to meet them. It would create a floor below which privatisation-driven service deterioration cannot fall. And it would make visible, through the transparency of comparative data, which member states are meeting the standard and which are not.

The UK's adoption of this chapter's proposals would not be an experiment. It would be convergence with the mainstream of European social provision. The cost is well-documented in the finances of the countries that already operate these systems. The benefit is equally well-documented in the life outcomes of the citizens who live in them.

Chapter Four, Section 4.1

Governance and State Capacity: The Current Crisis

“The civil service is reaching too readily for expensive external support. Officials should more carefully consider whether an outside perspective is valuable enough to justify the expense.”

— *Institute for Government, Whitehall Monitor (2024)*

The Hollowed-Out State

The Expertise Drain

The British civil service was, for much of the twentieth century, genuinely admired as a model of competent, honest, and politically neutral public administration. Its achievements were substantial: the management of wartime mobilisation, the construction of the post-war welfare state, the administration of an independent nuclear programme, the technical management of North Sea oil policy. These required not just administrative competence but deep technical expertise in engineering, economics, scientific research, and complex project management.

That expertise has been progressively hollowed out since the 1980s.

The mechanism is well-documented. A combination of outsourcing ideology, public sector pay restraint, and the delegitimisation of state expertise removed both the need and the incentive for civil servants to develop and retain deep technical knowledge. Why employ a civil engineer when you can commission one? Why maintain an in-house IT team when you can outsource IT to Capita? Why develop project management expertise internally when McKinsey can be parachuted in?

The consequences are now visible in the spending figures. UK central government spent £3.4 billion on management consulting suppliers in the financial year 2022-23 (Tussell, 2024). The Big Four accountancy firms and major strategy consultancies were awarded £1.5 billion in government contracts in 2024, up from £1.4 billion in 2023 and £1 billion

in 2022 (FT, 2025). The Institute for Government's Whitehall Monitor found that consultancy spending across Whitehall had risen 40% in real terms since 2018-19, and that the civil service was "reaching too readily for expensive external support" in a pattern that both reflected and perpetuated the decline of in-house expertise (IfG, 2024).

When the government announced, in November 2024, that it would save £1.2 billion by cutting consultancy spend (Cabinet Office, 2024), the Public Accounts Committee observed that the Cabinet Office "does not have a grip on what the government spends on consultants" and "seems unconcerned" about inaccuracies in its own data (GB News, 2026). A survey by the research firm Source found that 96% of senior civil servants expected their department's consultancy spending to increase over the following two years, despite explicit instructions to cut it (Consultancy.uk, 2025). A further 25% said ministers were more likely to take advice from external consultants than from internal staff (Consultancy.uk, 2025).

This is not a budget problem that spending controls can solve. It is a capability problem: the civil service has been "infantilised" by consultancy dependency to the point where, even when told to cut spending, it does not believe it can function without the external support (IfG, 2024). The solution is to rebuild the capability, not to repeat the instruction.

The Ministerial Churn Problem

The expertise drain at the official level is compounded by an equally acute problem at the political level: the extraordinary rate at which British ministers cycle through their posts.

The average tenure of a Cabinet minister across the Conservative governments of 2010–2024 was approximately eighteen months (IfG, 2024). In some departments — Transport, Housing, and Energy in particular — turnover was even faster. The Department for Energy Security and Net Zero saw four Secretaries of State between its creation in February 2023 and the general election of July 2024 — a span of sixteen months. The Department for Levelling Up, Housing and Communities had five Secretaries of State in two years.

Each ministerial arrival generates a burst of activity: a new strategy document, fresh announcements, a reorganisation of priorities. Each departure creates institutional drift while the new minister is briefed. Major capital projects — which require sustained political commitment over years or decades — face existential uncertainty at every ministerial change: the new minister may not share their predecessor’s attachment to a programme and may see a cancellation announcement as a low-cost way to differentiate themselves and signal fiscal seriousness to the Treasury.

This is not a personal failing of individual ministers. It is a structural incentive of the political system. The person who announces a new initiative receives immediate public credit. The person who completes a predecessor’s twenty-year programme receives none. The political system therefore

systematically rewards announcement over delivery, and has done so for long enough that the culture of announcement is now the expected norm.

The Major Projects Crisis

The National Audit Office has documented, in sustained and meticulous detail, the pattern by which major British government programmes fail to deliver on time, on budget, or to specification. The Government Major Projects Portfolio — the collection of the most significant and complex programmes across Whitehall — carries a history of escalating costs, delayed benefits, and periodic cancellation (NAO, 2024).

The causes are systemic: the separation of policy (ministerial responsibility) from delivery (official responsibility), which creates a structural gap between what is promised and what is achievable; the Treasury’s habit of approving programmes on optimistic initial cost estimates; the use of complex contractual structures that transfer paper risk to contractors without transferring financial risk; and the absence of long-term institutional commitment required to see a multi-decade programme to completion.

The HS2 programme provides the most extensively documented example. Proposed in 2009, approved in 2012, under construction from approximately 2017, and then partially cancelled in October 2023 — after fifteen years of preparation, billions in sunk costs, and the demolition of significant existing infrastructure — HS2 is the canonical illustration of a political system that cannot finish what it begins (NAO, 2024).

The Digital State Gap

The Government Digital Service, established in 2011, produced in its early years internationally admired work on digital public service design. GOV.UK was a genuine achievement. But the ambition of a single, integrated digital interface through which citizens could access all government services — health, benefits, tax, local services, identity verification — was never realised. Legacy IT systems in major departments resisted integration. Political will for the necessary long-term investment fluctuated with ministerial priorities. The talent attracted to GDS in its early years migrated to the private sector as institutional ambition contracted.

The contrast with Estonia is instructive. Estonia's digital state — the e-Estonia system — allows citizens to do virtually everything government-related through a single, secure digital platform: file taxes, register a business, vote in elections, access medical records, receive prescriptions, and sign legal documents (e-Estonia, 2024). The platform has been continuously improved for thirty years, operates on open-source architecture, and is founded on the principle that citizens own their data. Estonia has been routinely rated among the world's leading digital societies.

The UK cannot start from the blank institutional slate that Estonia had in 1991. But it can learn from the principles — and the political will to complete the programme over a sustained period is what has been, until now, conspicuously absent.

Chapter Four, Section 4.2

Governance and State Capacity: The Proposed Mechanism

Rebuilding the Capacity to Govern

The Department of National Development

The central institutional proposal of this chapter is the creation of a **Department of National Development (DND)** with a statutory long-term mandate covering the UK's major national investment programmes.

The DND absorbs the strategic investment and delivery functions currently scattered across the Cabinet Office's Infrastructure Projects Authority, the Treasury's public expenditure teams, the Department for Energy Security and Net Zero, the Department for Transport's major projects directorate, and the Department for Business and Trade's industrial strategy unit. It is responsible for the multi-decade programmes that must span successive governments: the rail network expansion, the energy transition, the national housing programme, the digital state, the science base, and the green infrastructure programme.

The DND's mandate is set by primary legislation, debated and approved by Parliament, with a mandatory ten-year strategic review and a five-year operational planning cycle. The mandate cannot be amended by ministerial direction alone; amendment requires a parliamentary vote on primary legislation. The DND is led by a **National Development Director** — appointed through open public competition, confirmed by Parliament, and removable only by parliamentary resolution — supported by a permanent professional executive recruited from engineering, planning, finance, and project management backgrounds.

The model draws on two institutional traditions. The first is France's **Commissariat Général du Plan** (now France Stratégie): the strategic planning body established by Jean Monnet and de Gaulle after 1945 to drive France's post-war modernisation, which provided long-term economic strategy that survived multiple changes of government and is credited with France's post-war "Trente Glorieuses" economic expansion. The second is the British Treasury at its most effective: a body with genuine influence over national resource allocation, backed by technical expertise, and insulated from the worst effects of political short-termism.

A Rebuilt Civil Service Technical Core

The consultancy dependency documented in Section 4.1 cannot be resolved by spending controls. The only durable solution is to rebuild the in-house capability that would make the controls sustainable.

A National School of Government provides serious initial training for civil servants and continued professional development throughout careers, with specific focus on technical skills: project management (to PRINCE2 and Managing Successful Programmes standards), quantitative analysis, engineering and scientific literacy, financial modelling, and digital systems design. The school is modelled in aspiration on France's ENA/INSP tradition — a rigorous institutional investment in public administration as a profession — but updated for technical competence rather than administrative generalism, and reformed for diversity and accessibility relative to the elite French original.

Pay and progression reform enables the civil service to retain technical specialists at rates competitive with the private sector for their skills. The model distinguishes between administrative generalists (for whom the existing career structure broadly remains appropriate) and technical specialists (for whom a separate pay spine is created, with higher maxima, longer promotion timelines, and explicit career paths for deep specialisation). Lateral entry from industry and academia at all levels is actively encouraged, with structured secondment and reintegration programmes.

A statutory consultancy cap and knowledge transfer requirement: total external management consulting spend as a proportion of each department's administrative budget is capped by Treasury regulation and cannot be exceeded without Cabinet-level ministerial approval. Where external consultants are engaged for significant work, their contracts require a formal knowledge transfer component: the engagement must produce, alongside its substantive output, documentation and training that allows the relevant function to be performed in-house thereafter. This requirement is enforced through contract and monitored by the NAO.

Long-Term Project Protection

A statutory mechanism protects major national investment programmes from short-term political cancellation.

Programme-level protection applies to programmes approved by Parliament through national development planning legislation. Once Parliament approves a programme, it cannot be cancelled except by a further Act of Parliament with a two-thirds Commons supermajority. This prevents ministerial cancellation for short-term political reasons and provides the certainty that regions, industries, and communities need to make long-term investment decisions around public programmes.

Project-level protection applies within approved programmes. Individual projects cannot be cancelled mid-delivery except on grounds of material change in circumstances, assessed independently by the Infrastructure Projects Authority, with a parliamentary accountability requirement. The assessment criteria are defined in statute: cost overrun beyond a defined threshold, demonstrated technical non-viability, or change in national strategic priority assessed by an independent panel.

The analogy is to the constitutional independence of the judiciary: ministers cannot instruct judges in individual cases; they can only legislate to change the legal framework. The DND's project delivery mandate is insulated from ministerial case-by-case interference in the same way.

The UK Public Services Platform

The **UK Public Services Platform (PSP)** is a single, citizen-facing digital infrastructure through which citizens interact with government across all service domains: National Insurance and tax; NHS appointment booking and prescription management; benefit claims and updates; voting registration and participation; local council services; planning consultation; identity verification and document signing; and government communications.

The PSP is built on open-source architecture, published for public security audit. Its privacy architecture is designed by an independent Digital Rights Commission, appointed by Parliament and operating on the principle of **data minimisation and citizen ownership**: each citizen's data on the platform belongs to the citizen; every official access to any citizen's record is logged and visible to the citizen through their account interface; the platform architecture prevents aggregation of citizen data for surveillance purposes not explicitly authorised by primary legislation.

The transition from legacy systems to the PSP is managed over a ten-year programme — a realistic timescale for the integration of HMRC, DVLA, NHS Digital, DWP, and local authority systems — with interim interoperability standards allowing progressive integration. Progress is reported quarterly to Parliament by independent auditors.

Electoral Reform as Governance Investment

The governance proposals in this chapter are, ultimately, institutional responses to a problem with roots in the electoral system. First-past-the-post elections systematically overstate the mandate of whichever party wins the most seats — often with well under half the votes cast — and produce correspondingly wide swings in policy direction between governments. This magnifies short-termism: the incoming government has strong incentive to demonstrate a break with its predecessor, and the party’s activists have an interest in reversing policies they opposed.

A proportional electoral system — the Green Party’s longstanding position (Green Party, 2024), shared by the Liberal Democrats and increasingly discussed in other parties — produces, on average, coalition-based governments with broader mandates and less incentive for radical policy reversal. The international evidence is not conclusive — there are proportional systems with instability — but the UK’s FPTP system, combined with the convention of single-party government, has materially contributed to the cancellation culture that makes long-term delivery so difficult.

Electoral reform is not merely a question of democratic fairness, though it is that. It is a governance investment in the state’s capacity to complete what it begins.

Chapter Four, Section 4.3

Governance and State Capacity: The Democratic Safeguard

Power with Accountability

Parliamentary Oversight of the DND

The Department of National Development, by the nature of its mandate, concentrates more strategic power than any existing Whitehall department. The democratic safeguards must therefore be correspondingly robust.

A dedicated **National Development Select Committee** has all standard select committee powers — to summon witnesses, commission analysis, publish reports — plus a statutory right of access to all DND planning documents, project assessments, cost models, and financial projections. Its members receive necessary security clearances. Its annual report on DND performance is a statutory requirement, debated on the floor of the House.

The National Development Director is appointed through open competition, interviewed in public by the Select Committee before appointment, confirmed by parliamentary resolution, and removable only by parliamentary resolution. The Director

reports to Parliament, not to a Secretary of State, for the delivery of the statutory mandate. Ministers retain authority to amend the mandate — through legislation — but not to direct the Director’s day-to-day decisions.

Every major project in the DND portfolio is registered in a publicly accessible database with the full business case, approved budget, timeline, responsible senior official, and quarterly progress updates. The database is permanent; cancelled or significantly revised projects retain their full history, providing future parliaments with an institutional memory.

Transparency as Constitutional Principle

The sum of accountability mechanisms proposed across this book amounts to a constitutional principle: that the exercise of public power must be, by default, visible to the public.

This principle is not new in British constitutional theory; it is embodied in partial form in the Freedom of Information Act 2000, the Public Accounts Committee tradition, and the NAO’s independence. The proposals here extend and systematise it: rather than transparency being a right to be claimed against a reluctant state, it becomes the default operating mode of a state with nothing to hide.

Local Democracy Empowered, Not Bypassed

The governance proposals in this chapter should not be read as centralisation of power in Whitehall. The DND coordinates national programmes; it does not replace elected local and regional government.

Local authorities receive a multi-year settlement protected from in-year cuts, with real fiscal powers — including, over time, meaningful local taxation capacity — to set their own priorities within national standards. The regional assemblies that approve zoning plans (Chapter 2) and the regional mutual banks that allocate credit (Chapter 1) are democratic institutions with real authority, not Whitehall outposts. The Community Canteens and social infrastructure of Chapter 3 are locally managed within a national quality framework.

The principle is **variable geometry within common standards**: national frameworks setting the minimum quality and accessibility of public services, and local democracy operating with genuine resource and genuine authority within those frameworks.

Chapter Four, Section 4.4

Governance and State Capacity: The European Application

A Common Standard of Competent Democracy

The UK's governance crisis is an acute version of a challenge shared by European democracies: the erosion of state capacity after a generation of market-liberalisation ideology, the under-investment in public sector expertise, and the short-termism of electoral cycles in a media environment that rewards announcement over delivery.

European Models of State Capacity

The four pillars of the proposed rebuild — long-term planning, professional civil service, digital unified services, electoral stability — are already the standard equipment of well-functioning European democracies. The UK is the outlier.

France's ENA/INSP tradition trains an elite of public administrators in a dedicated institution, producing civil servants with deep institutional knowledge and a professional identity that survives ministerial changes. Germany maintains a permanent, specialist, largely depoliticised civil service that provides institutional continuity regardless of coalition changes. Estonia has operated a digital state for thirty years that is both a model of citizen service and an example of how open-source, privacy-respecting architecture can be sustained across multiple governments (e-Estonia, 2024). Nordic coalition governments routinely produce long-term policy frameworks — ten to twenty-year plans in energy, housing, and education — that survive changes of administration because they are built on cross-party consensus rather than single-party mandate.

A European School of Public Administration

A European programme of state capacity renewal would draw on these specific national strengths and make them available to all member states through shared institutional infrastructure.

A European School of Public Administration — distinct from the existing European Administrative School, which focuses on EU institutions rather than member state capacity — would provide structured training for senior civil servants from across member states in: major project delivery; digital public service design; democratic accountability mechanisms; and evidence-based policy development. The school would draw senior practitioners from each national tradition as instructors, creating a peer-learning network that transfers practical expertise across borders.

The deeper political argument is this: European democracies demonstrating, in practice and in public, that clean water, affordable housing, working transport, and competent governance are achievable within a framework of elections, rights, courts, and press freedom — provide the most powerful available argument against the authoritarian political alternatives gaining ground across the continent. A coordinated European programme of democratic modernisation is, at this moment in European political history, not just a technocratic project. It is a democratic survival strategy.

Chapter Five: The Constitution Lock

Why Proportional Representation Is the Foundation, Not the Footnote

“The test of any long-term national programme is not whether it can be built. It is whether it can survive.”

The Problem This Chapter Addresses

Every institution proposed in this book — the National Investment Bank, the Sovereign Wealth and Enterprise Fund, the national housing programme, the Department of National Development, the renationalised water and energy sectors, the restored public service capacity — can be legally dismantled by a parliamentary majority.

That is not a design flaw. It is, correctly, a feature: a democratic state that builds institutions no future democratic majority can ever change has ceased to be democratic. The permanence of public institutions must ultimately rest not on legal entrenchment alone but on democratic consensus.

The question this chapter addresses is the harder one: under what electoral architecture is that consensus most reliably maintained? And it answers plainly. Under the

United Kingdom's current first-past-the-post system, a party representing a minority of voters can win an absolute parliamentary majority, claim a full electoral mandate, and systematically dismantle public assets and institutions in ways that the majority of the population did not vote for and do not support.

The historical evidence for this is not theoretical. It is the story of the last fifty years of British political economy.

Section 1: The Track Record

How Minority Governments Claim Majority Mandates

Under first-past-the-post, the relationship between votes and seats is not proportional. In the 2015 general election, the Conservative Party won 36.9% of the vote and an outright parliamentary majority. In 2019, it won 43.6% of the vote — a minority of all votes cast — and a majority of 80 seats. In both cases, a government with the support of fewer than half the electorate held unconstrained parliamentary power to enact its programme for five years.

Inversely, in 2024 Labour won 33.7% of the vote — the lowest vote share for any majority government in modern British history — and a parliamentary majority of 174 seats. FPTP does not translate popular opinion into legislative power. It amplifies the plurality.

The consequence for long-term public policy is devastating. Each incoming majority government treats the institutions and assets of its predecessor as politically fair game. The 1979 Conservative government began a programme of privatisation, council house sales, and financial deregulation with the

support of 43.9% of voters. The institutions dismantled over the subsequent eighteen years — the publicly owned utilities, the social housing stock, the manufacturing industries, the financial regulatory framework — represented decades of public investment built on broad democratic consensus. They were sold, broken up, or deregulated by a government that the majority of voters, at every election from 1979 to 1997, had not voted for.

The same dynamic operates in reverse. The post-war Labour government built the NHS, the welfare state, and a major social housing programme with 47.7% of the vote in 1945. That government could act boldly in part because of the scale of its majority — a scale FPTP amplified from its actual vote share. But the institutions it built survived into the 21st century precisely because they achieved, over time, a genuine cross-party consensus that made their dismantling politically impossible regardless of which party held power.

The programme described in this book is designed to achieve that same durability. The statutory mandates, the parliamentary supermajority requirements, the independent audits, the published performance data — all of these are designed to make the NIB, the SWEF, the DND, and the renationalised utilities politically costly to dismantle. But they operate within a constitutional framework that, under FPTP, allows a minority-supported government to pass any primary legislation it chooses with a simple parliamentary majority.

That framework is the vulnerability that this chapter addresses.

The Thatcher Precedent

Margaret Thatcher's governments from 1979 to 1990 represent the clearest historical demonstration of what FPTP enables. In three consecutive elections — 1979, 1983, and 1987 — the Conservatives won parliamentary majorities while receiving between 42% and 44% of the vote. In all three elections, the combined vote share of Labour and the Alliance/Liberal Democrats substantially exceeded the Conservative share. The majority of votes cast went to parties that did not support privatisation, council house sales, or financial deregulation.

Yet the Thatcher government, operating with a large parliamentary majority on a minority of votes, was able to:

- Sell publicly owned British Gas, British Telecom, British Airways, British Steel, and water and electricity companies to private shareholders;
- Transfer approximately 1.5 million council homes from public to private ownership through the Right to Buy;
- Deregulate financial markets through the “Big Bang” of 1986, creating the conditions for the financialisation crisis described in Chapter 1;
- Reduce public sector net investment from over 3% of GDP to under 1%;
- Substantially weaken trade union power and the collective bargaining that had underpinned wage growth.

These changes were not reversible when Labour won in 1997. The assets had been sold, the institutions dismantled, the expertise dispersed. The sold council houses could not

be simply taken back. The privatised utilities were now enmeshed in international financial structures that made re-nationalisation politically and financially complex. The financial deregulation had produced an entire industry and a whole political economy that depended on its continuation.

FPTP, in the Thatcher period, functioned as a machine for allowing a minority of voters to permanently restructure the economy in ways that the majority had not endorsed and could not subsequently reverse.

The Current Risk: Reform UK and the Far Right

The argument from historical precedent is not merely retrospective. It is directly relevant to the political landscape of the mid-2020s.

Reform UK, a right-wing populist party committed to reversing net-zero policies, reducing public spending substantially, and returning privatised industries to private ownership, was polling at 25–28% in 2025 and registered a significant by-election victory. Under a proportional system, 25% of the vote produces 25% of the seats: a significant parliamentary presence but not the ability to govern alone, and certainly not the ability to dismantle public institutions without coalition partners who would constrain that ambition.

Under first-past-the-post, 25% of the vote, concentrated in the right constituencies and benefiting from vote-splitting between Labour and the Liberal Democrats, could produce a parliamentary majority — or, in a hung parliament, hold the balance of power in negotiations that determine the next government's programme. The electoral mathematics of FPTP are not predictable; they depend on the geographic

distribution of votes and the precise configuration of the contest. But they are systematically capable of producing outcomes in which a party with a minority of public support holds unconstrained governmental power.

A Reform-led or Reform-influenced government committed to reversing the programme described in this book — selling the SWEF's assets, abolishing the NIB, cancelling the housing programme, re-privatising water and energy — would require only a parliamentary majority to do so. That majority might be achieved with fewer than one in three votes. The statutory safeguards described in this book — the supermajority requirements, the parliamentary mandates, the independent oversight — would be swept away by the same parliamentary majority that swept away everything else.

The only structural protection against this outcome is an electoral system that requires a genuine majority — or, failing that, a genuinely broad coalition — to hold governmental power.

Section 2: The Electoral Architecture Argument

What Proportional Representation Actually Means

Proportional representation is not a single system. It is a family of electoral systems sharing a common principle: that the share of seats a party holds in a legislature should approximate its share of votes in the electorate. Several variants exist, each with different properties.

Party List systems (used in most EU member states for European elections, and in Israel, Netherlands, and Spain for national elections) allocate seats directly from party vote

shares, using national or regional lists. They produce the highest degree of proportionality but can create distance between elected representatives and specific geographic constituencies.

Mixed-Member Proportional (MMP), as used in Germany, New Zealand, and Scotland (for Holyrood), combines constituency seats — maintaining local representation — with regional or national “top-up” seats that correct for the disproportionality of constituency results. It produces broadly proportional outcomes while retaining the direct constituency link. Germany’s version, the Additional Member System, is generally regarded as producing the most stable and effective democratic governance among major democracies.

Single Transferable Vote (STV), as used in Ireland and Northern Ireland, operates in multi-member constituencies where voters rank candidates in order of preference. It produces proportional outcomes, retains a strong constituency link, and reduces the role of party lists in determining who is elected. It is the system most preferred by electoral reformers in the United Kingdom.

Alternative Vote (AV), the system rejected in the 2011 UK referendum, is not proportional. It produces outcomes that can be even more disproportional than FPTP in some configurations. Its rejection in 2011 should not be conflated with the rejection of proportional representation.

The Green Party has consistently advocated for a proportional voting system — specifically STV or a form of MMP — for UK elections (Green Party, 2024). The Liberal Democrats have made it a central commitment for decades. The Labour Party

contains significant currents in favour of electoral reform; the current Labour government was elected on a manifesto that committed to an independent commission on electoral reform, though its subsequent enthusiasm for the recommendation has been limited.

Why Proportionality Matters for This Programme Specifically

The argument for proportional representation in this book is not primarily an argument from abstract democratic principle, though that argument stands. It is an argument from the specific requirements of a long-term national programme.

The programme described in this book requires approximately twenty to thirty years to deliver its full effects. The NIB takes a decade to build a meaningful lending portfolio. The housing programme takes fifteen years to close the supply deficit. The rail network expansion takes twenty years to transform the economic geography of the country. The civil service rebuild takes a generation to restore deep technical expertise. The social norms around public ownership — the expectation that water comes clean, that trains run, that housing is available — take a generation to establish and become politically unassailable.

No single government can complete this programme. It must be sustained across multiple governments of different political composition. For it to be sustained, it must be genuinely supported — not merely tolerated — by parties that will from time to time hold governmental power. That requires, in turn, that those parties participated in building it, that they were part of the coalition that established the institutions, and that they have ownership of the outcomes.

Under proportional representation, coalition governments are the norm. Coalition governments must negotiate their programmes across party lines. The result — well-documented in the German, Dutch, Austrian, and Nordic experiences — is that major public investment programmes are established on broader political foundations, with greater cross-party buy-in, and are therefore less vulnerable to reversal when the political balance shifts.

Under FPTP, single-party majority government is the norm. Single-party governments can enact radical programmes on narrow mandates. Those programmes are then vulnerable to reversal by the next single-party government on its own narrow mandate. The result is the cycle of construction and demolition that has characterised British public policy since 1945: the NHS built by Attlee, the council houses sold by Thatcher, the rail system fragmented by Major, the PFI hospitals locked in by Blair, the Sure Start centres closed by Cameron. Each radical change enacted with a minority of votes; each reversal enacted with a minority of votes.

Proportional representation does not eliminate political conflict. It does not prevent parties from arguing for different approaches to public investment. What it does is require that major changes to the structure of the economy and the ownership of public assets command genuinely broad support — that they cannot be accomplished by a single party acting alone on a minority mandate.

This is precisely what the programme of this book requires.

Section 3: The Counter-Arguments, Addressed Honestly

Counter-Argument: Coalition governments are unstable

The objection that proportional representation produces unstable coalition governments is most frequently illustrated by reference to Italy, which has had more than sixty governments since 1946, and to Israel, whose coalition politics have produced paralysis in the face of existential crises.

The objection is real in relation to specific systems and specific political contexts. It is not, however, a general property of proportional systems. Germany has had far fewer governments than Italy in the same period, and its coalition governments have been characterised by the kind of long-term policy stability that this book argues the UK urgently needs. The Netherlands, Austria, Sweden, Finland, Denmark, Norway, and New Zealand have all maintained stable, effective democratic governance under proportional systems for extended periods.

The Italian and Israeli cases are characterised by specific structural features — low electoral thresholds in Italy, the specific character of Israeli coalition bargaining — that have been identified and, in Italy's case, repeatedly (if unsuccessfully) attempted to be reformed. The pathologies of those systems are not inherent to proportionality; they are the consequences of specific design choices that well-designed proportional systems avoid.

Germany's MMP system, in particular, has produced stable governments, long-term policy commitments, and the kind of cross-party investment in public institutions that this book recommends as a model. The German Basic Law's constructive vote of no confidence — which requires the Bundestag to elect a replacement Chancellor before removing an incumbent — is one institutional mechanism that contributes to stability; others include the 5% threshold that prevents extreme fragmentation of the legislature.

A well-designed British proportional system — with a modest threshold, strong constituency links through STV or MMP, and constitutional provisions against short-term no-confidence motions — would be expected to produce governance stability comparable to Germany's, not Italy's.

Counter-Argument: PR gives small parties disproportionate influence

The objection that small parties hold the balance of power in coalition negotiations and extract policy concessions disproportionate to their vote share is a variant of the stability argument. It has some merit as a description of specific coalition dynamics — the influence of the Free Democrats in German coalitions has, at various points, been criticised on these grounds — but it misidentifies the comparative baseline.

Under FPTP, the governing party itself exercises power disproportionate to its vote share. A party with 37% of the vote exercises 100% of governmental power. Under a proportional system, a party with 12% of the vote may exercise influence over coalition negotiations disproportionate to its size — but within a coalition that still requires the consent of parties representing a genuine majority of voters. The median outcome under PR is governance that requires majority support; the median outcome under FPTP is governance that requires only plurality support. The former is structurally more accountable.

In the specific context of this book's programme, the relevant concern is not small party influence in a coalition but single-party majority rule without majority support. A Reform UK government formed with 30% of the vote and a FPTP majority would exercise total governmental power on the basis of support from less than a third of voters. A coalition government formed after a proportional election in which Reform won 30% of seats would need to find coalition

partners willing to share governmental power — partners who would, almost certainly, not share Reform’s commitment to dismantling the NIB or re-privatising water.

Counter-Argument: The 2011 referendum showed the public doesn’t want PR

The 2011 Alternative Vote referendum produced a 68% vote against the proposed change. This is regularly cited as evidence that the British public does not support electoral reform.

The argument conflates AV with PR. AV is not a proportional system. It was supported by the Liberal Democrats primarily as a stepping-stone and opposed by most electoral reform advocates as insufficient. The referendum was also characterised by a heavily negative campaign that focused on arguments about the complexity and cost of AV rather than on the merits of proportionality as a principle.

More recent polling has consistently shown majority support for proportional representation when the question is asked directly. A 2024 Electoral Reform Society survey found 54% support for a more proportional system, with 24% opposed (Electoral Reform Society, 2024). Support is particularly strong among younger voters and among voters who have experienced the frustration of votes that are structurally wasted under FPTP — a phenomenon that affects approximately 70% of UK voters in safe seats at any given election.

Section 4: What Proportional Representation Would Mean for This Programme

The Durability Guarantee

The strongest argument for PR in this specific context is not fairness, not stability, and not small-party influence. It is durability.

A National Investment Bank established by a government with a genuine parliamentary majority — a majority reflecting the actual distribution of voter preferences — is a NIB that a significant majority of the electorate chose. The constituency for dismantling it must, therefore, be a genuine majority too. Under proportional representation, building that majority takes real political work: convincing genuinely more than half of voters that the NIB should be abolished, that the water companies should be re-privatised, that the housing programme should be ended. That is a much higher political bar than winning a FPTP majority with a minority of votes.

This does not make the programme permanent or unconditional. It makes it genuinely democratic in a way that FPTP-secured institutions are not. A programme that commands genuine majority support over time is a programme that has earned its permanence through democratic legitimacy, not merely through the accident of electoral geography.

Cross-Party Institution Building

Proportional representation, by requiring coalition governments, also changes the incentive structure for opposition parties. Under FPTP, the opposition's primary interest is in the failure of the government's programme — failure that makes the government electorally vulnerable and improves the opposition's prospects. Under proportional government, opposition parties that will be needed as coalition partners in future governments have a direct interest in the quality of governance in the present, even when they are not in power. They participate, through cross-party committees and formal consultation, in shaping the institutions that they will inherit and operate.

This is why the major European development banks — KfW, Caisse des Dépôts, the Nordic equivalents — have survived multiple changes of coalition without fundamental disruption. They were built with cross-party participation; they are operated with cross-party oversight; and they are politically costly for any coalition to dismantle because doing so would require the active agreement of parties that participated in building them.

The NIB, the SWEF, and the DND proposed in this book need to be built this way. They cannot simply be enacted by a single-party majority and expected to survive. They must be built through a political process that brings opposition parties inside the institution — through parliamentary confirmation of senior appointments, cross-party supervisory boards, and the Select Committee oversight described in Chapter 4. But that process is far more effective when the opposition parties

in question are genuinely represented in proportion to their vote, and when they know they will be needed in the next coalition.

Preventing the Asset-Stripping Cycle

The specific risk identified by this chapter — that a future government of the right, formed on a minority vote share under FPTP, would dismantle the public assets this programme creates — is directly addressed by the combination of PR and the programme's statutory safeguards.

Under PR, a party committed to re-privatising water and energy must achieve a genuine majority coalition in favour of that position. Given that the water companies' failures have produced majority public support for public ownership across all political groups (IPSOS, 2024), building such a majority coalition would be politically extraordinarily difficult. The Conservative governments that privatised utilities in the 1980s could do so because FPTP gave them unconstrained majority power on 43% of the vote. Under PR, 43% of the vote produces 43% of the seats — a large parliamentary presence, but not the ability to govern without coalition partners who might not share the privatisation agenda.

The Sovereign Wealth and Enterprise Fund's statutory requirement of a two-thirds Commons supermajority for asset withdrawal — described in Chapter 1 — provides an additional lock. But that lock is only as strong as the electoral system beneath it. A FPTP majority government amending the SWEF statute requires only a simple majority. Under PR, achieving the parliamentary arithmetic for such an amendment requires

the active cooperation of parties representing a genuine majority of voters, including parties that built and benefit from the fund.

Section 5: The Design Proposal

This book does not prescribe a single proportional system for the United Kingdom. The question of which specific system — STV, MMP, d'Hondt party list, or a hybrid — best suits the UK's constitutional traditions, geographic diversity, and democratic culture is a question for an independent constitutional commission and, ultimately, for the public in a properly informed referendum.

What this book argues, explicitly and without qualification, is that **the programme described in these pages has a substantially higher probability of successful long-term delivery under a proportional electoral system than under first-past-the-post**, for the following reasons:

1. **Coalition governments build broader mandates** for major institutional changes, making those changes harder to reverse.
2. **Proportional parliaments more accurately reflect public opinion**, including the strong majority public support for public ownership of water, energy, and rail that FPTP governments have historically been able to override.
3. **No single-party minority government can claim a mandate** to dismantle public institutions built by genuine democratic consensus.

4. **The opposition parties that will share power in future coalitions** have an incentive to participate in building institutions they will inherit, rather than to obstruct for short-term electoral advantage.
5. **The specific threat** of a Reform UK government — or any analogous single-party formation with a radical privatisation agenda — gaining unconstrained parliamentary power on a minority vote share is structurally prevented.

This is not an argument that proportional representation is a guarantee. It is an argument that, given the specific content of this programme and the specific political risks it faces, proportional representation is the electoral architecture that gives the programme its best chance of doing what it is designed to do: building a country that works, and keeping it that way.

A Note on Political Honesty

It is worth being direct about what this chapter argues and what it does not.

It does not argue that the Conservative Party or Reform UK are uniquely bad actors in British political history. Every government elected under FPTP with a minority of votes has benefited from a democratic distortion, including governments of the centre-left. The post-war Labour government that built the NHS did so with 47.7% of the vote and a hugely amplified parliamentary majority; the Blair governments of 1997 and 2001 governed with large majorities on vote shares of 43% and 41%.

What this chapter argues is that the specific combination of FPTP and a political landscape in which parties committed to reversing this programme's core provisions can win parliamentary majorities with minority vote shares represents an unacceptable structural risk to a long-term national investment programme. The risk is specific to the content of the programme and the current political landscape, not a general indictment of any party.

The parties identified by name in this chapter — the Conservative Party and Reform UK — are identified because they have publicly advocated, or are publicly associated with, positions directly antithetical to the programme described in this book: privatisation, reduction of public investment, opposition to net-zero, and the dismantling of state capacity. Other political configurations might pose equivalent risks from different directions. The structural argument applies

to all of them: no programme designed to last thirty years should be at the mercy of a single party's FPTP majority in year four.

Proportional representation is not a left-wing demand. It is a constitutional safeguard against the capture of democratic outcomes by minorities of any political character. It is the foundation without which everything else in this book is, ultimately, reversible by accident of electoral geography.

Summary

The programme of this book — twenty to thirty years of sustained public investment, institutional building, and democratic state capacity renewal — requires an electoral architecture that:

- Prevents any party with a minority of votes from claiming an unconstrained mandate to reverse it;
- Incentivises cross-party participation in building the institutions it creates;
- Accurately reflects the broad public support that already exists for public ownership and long-term investment;
- Makes the asset-stripping cycle — build under one government, sell under the next — structurally difficult rather than routinely available.

First-past-the-post does not provide that architecture. Proportional representation does.

The case for electoral reform is, in this book, not an appendix or a nice-to-have. It is the constitutional foundation on which the programme's durability depends. Without it, every

institution built under the preceding chapters is exposed to reversal by a government that a majority of voters did not choose, acting on a mandate that a majority of voters did not endorse.

A country that works is built by democratic investment over decades. It requires a democracy that works to protect it.

Chapter Six: The Informed Citizen

Media Ownership, Misinformation, and the Democratic Mind

“A popular government without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy; or perhaps both.”

— *James Madison (1822)*

Introduction: Why Media Belongs in This Book

The programme described in the preceding five chapters — the National Investment Bank, the housing programme, the renationalised utilities, the rebuilt civil service, the electoral reform — can be designed with care, debated in Parliament, and enacted in law. None of it will last if the democratic culture that sustains it is itself structurally corrupted.

A democracy depends on citizens who can form genuine opinions. Genuine opinions require accurate information. Accurate information requires a media environment in which the people who own news outlets cannot systematically distort the picture in their own financial, political, or national interest — and in which citizens have the educational foundation to distinguish reliable information from manipulation.

Neither of these conditions currently holds in the United Kingdom.

The British news media is unusually concentrated in the hands of a small number of wealthy individuals, several of whom are either foreign nationals, non-domiciled tax residents, or both. The largest-circulation newspapers in the country are controlled by proprietors with a direct financial interest in low corporate taxation, light financial regulation, weak environmental standards, and the prevention of the redistributive public investment described in this book. The relationship between media ownership and political outcome is not conspiratorial; it is structural. Proprietors do not need to issue editorial instructions. They hire editors who share their values. The bias is systemic.

At the same time, digital communications have created an information environment in which the cost of producing and distributing false or misleading content is effectively zero, while the emotional reward structures of social media platforms actively incentivise its spread. Misinformation — about vaccines, about climate change, about immigration, about the capabilities and intentions of democratic institutions — has become one of the most significant threats to democratic coherence.

This chapter argues for a two-part response: structural media reform that limits the ability of concentrated ownership to distort public information, and an educational programme that gives every citizen the cognitive tools to navigate the resulting environment regardless of any residual distortions.

6.1 The Current Crisis: Who Owns the British Press

The Concentration of Ownership

The United Kingdom's national newspaper market is among the most concentrated in any Western democracy. Three ownership groups — News UK (Rupert Murdoch's News Corp), Reach plc, and the Daily Mail and General Trust (DMGT) — account for the majority of national newspaper circulation. The Sun, The Times, and The Sunday Times are owned by News Corp, a company incorporated in the United States, controlled by an Australian-born American citizen. The Daily Mail and Mail on Sunday are controlled by the Viscount Rothermere, who holds a non-domiciled tax status that means he is not liable for UK inheritance tax on his family's media assets (Boffey, 2021; Mayhew, 2023). The Daily and Sunday Telegraph were owned, until recently, by the Barclay brothers through a holding structure based in the Channel Islands.

The pattern is significant: the newspapers that reach the largest daily audiences in the United Kingdom are controlled by proprietors who are not full participants in the British tax system, not subject to the same civic obligations as ordinary residents, and in several cases not primarily answerable to British law. Their financial interests are global, their tax obligations minimised, and their political positions — consistently pro-low-tax, anti-regulation, hostile to public investment and to the European Union — happen to coincide precisely with the policies that benefit their owners' wealth.

The Leveson Inquiry (2012) examined the relationship between press power and political influence in extraordinary detail, finding systematic abuse by some newspapers of their position and identifying a culture in which politicians were routinely pressured into policy positions by proprietorial interests. Its recommendations for independent regulatory oversight were never fully implemented, following intense lobbying by the newspapers themselves (Leveson, 2012).

The Digital Dimension

The decline of print circulation has not reduced the concentration of media power; it has redistributed it. Social media platforms — Facebook (Meta), X (formerly Twitter), YouTube (Alphabet/Google), and TikTok (ByteDance, based in China) — now function as the primary news distribution infrastructure for a majority of the population, particularly the young. These platforms are not neutral conduits. Their algorithmic architectures are designed to maximise engagement, and engagement is maximised by content that provokes strong emotional responses: outrage, fear, tribalism, and contempt. Accurate, nuanced, contextually rich information is structurally disadvantaged in this environment relative to simplified, inflammatory, or false content that triggers immediate emotional reaction.

The consequences are documented in the academic literature across multiple countries: sustained exposure to algorithmically curated social media increases political polarisation, reduces trust in democratic institutions, amplifies conspiracy theories, and degrades the quality of political reasoning on which democratic self-governance depends (Sunstein, 2017; Wardle and Derakhshan, 2017). The United Kingdom is not immune.

The Brexit referendum campaign, the Covid-19 pandemic, and subsequent political contests all generated documented episodes of large-scale misinformation spread through social media platforms operating with minimal accountability for the content they amplified.

The platforms are, in the main, American companies operating under American legal frameworks, algorithmically optimised for American cultural contexts, and indifferent to the consequences of their design choices for British democratic culture. Their willingness to self-regulate has been repeatedly demonstrated to be inadequate.

The Broadcasting Landscape

The United Kingdom's broadcasting landscape is significantly healthier than its press. Ofcom regulation requires broadcasters to maintain due impartiality, and the BBC — for all its structural vulnerabilities and the pressures it faces from successive governments — continues to provide a universally accessible, broadly trusted source of news and analysis. The breadth of BBC coverage, its international reputation, and its position as a shared civic resource represent a significant democratic asset.

That asset is under structural threat. The BBC's licence fee has been frozen and cut in real terms, its senior appointments subject to political pressure, and its independence challenged through sustained political campaigns originating partly — and notably — in the newspapers owned by proprietors who regard the BBC as a competitor and a regulatory inconvenience (Mayhew, 2023). The weakening of the

BBC, whether intentional or not, principally benefits the newspapers that cover the largest remaining audiences — and those newspapers' owners.

6.2 The Proposed Mechanism: Media for a Functioning Democracy

Principle One: National Ownership of National News

The most direct structural intervention available is a requirement that news organisations operating in the United Kingdom and reaching audiences above a defined threshold are majority owned by UK-resident, UK-taxpaying individuals or entities. This is not a novel principle: it is the standard regulatory position in countries including Australia, Canada, France, and the United States, where foreign ownership of broadcast media is either prohibited or heavily restricted (Freedman, 2014).

The proposed requirement operates as follows:

Print and online news organisations reaching a defined monthly unique visitor or circulation threshold — provisionally set at one million monthly UK users — must be majority owned by individuals or corporate entities that are: - Resident in the United Kingdom for tax purposes, meaning they pay UK income tax and inheritance tax on their UK assets; - Subject to full UK company law, with transparent beneficial ownership registered at Companies House; - Not controlled, directly or indirectly, by foreign governments, state-owned enterprises, or sovereign wealth funds.

This requirement would, at a stroke, end the anomaly of British public discourse being shaped by a non-domiciled billionaire whose personal tax arrangements represent a tacit subsidy from the public that his newspapers instruct not to expect one. It would equally prevent the acquisition of major UK media by Chinese state-adjacent technology companies, Gulf sovereign wealth funds, or any other foreign interest whose purposes are not transparently aligned with British democratic values.

Grandfathering and transition: Existing proprietors who do not meet the residency requirement would have a five-year transition period in which to either establish full UK tax residency and liability or divest their controlling stakes. No compensation is owed for the loss of a regulatory position; ownership of media subject to public interest regulation has never been a property right in the unconditional sense.

Broadcast media: The existing Ofcom framework already restricts foreign ownership of UK broadcast licences. This restriction is strengthened, and its enforcement is improved. The BBC's independence from political appointment is reinforced by transferring senior BBC governance appointments to a process requiring parliamentary cross-party approval, as proposed in Chapter 4 for civil service senior appointments.

Principle Two: Genuine Independence of Regulation

The current press regulator, IPSO (the Independent Press Standards Organisation), was established by the newspaper industry itself following the Leveson Inquiry, and regulates the newspapers that created it. This is not a model of genuine regulatory independence; it is a model of regulatory capture. The Green Party's 2024 manifesto explicitly called for full implementation of the Leveson recommendations, including the establishment of a genuinely independent regulatory body with the powers and resources to enforce standards (Green Party, 2024).

The proposed replacement regulator — the **Office for Press Standards (OPS)** — is established by primary legislation, independently funded through a levy on news organisations above the coverage threshold, and governed by a board appointed through the same cross-party parliamentary process proposed for other public institutions. Its mandate includes:

- The adjudication of accuracy complaints, with the power to require corrections of equivalent prominence to the original inaccuracy;
- The investigation of systematic bias, including the right to examine editorial processes and ownership structures;
- The enforcement of a code on the transparent labelling of commercial content, political advertising, and proprietor-linked editorial positions;
- The regulation of online news aggregators operating in the UK above the threshold, extending press standards to algorithmically curated news feeds.

The OPS does not have the power to restrict editorial opinion. Newspapers remain free to advocate for any political position they choose. What they cannot do, under a properly enforced standards regime, is present fabricated or materially misleading factual claims as news, fail to correct identified inaccuracies with equivalent prominence, or disguise commercial or political advertising as editorial content.

Principle Three: Platform Accountability

The major social media platforms operating in the UK are required, under the proposed framework, to:

Publish their recommendation algorithms to a technical panel appointed by Ofcom, under conditions of commercial confidentiality. The panel's remit is to assess whether the algorithmic design systematically amplifies misinformation or inflammatory content, and to require modifications where it does. This does not require the publication of algorithms to the public; it requires accountability to a competent independent body, on the model of the financial services industry's prudential oversight.

Remove demonstrably false content relating to public health, electoral processes, and climate science within defined timeframes, subject to a transparent appeals process. The Online Safety Act framework provides the legislative foundation; the proposed reform strengthens the enforcement mechanism and reduces the carve-outs that have weakened the Act's original intent.

Apply due impartiality standards to algorithmic amplification of political content during electoral periods. A platform that algorithmically amplifies one political position over another during an election is performing an editorial function; it should be subject to comparable requirements to broadcast media performing the same function.

Pay levies into a public interest journalism fund that supports investigative reporting, local journalism, and quality news provision in underserved communities and regions. The structural decline of local news — which has produced “news deserts” across much of provincial Britain — is one of the most significant democratic losses of the past twenty years. The platforms that have absorbed the advertising revenue that formerly sustained local newspapers should contribute to replacing what their market dominance has destroyed (Mayhew, 2023).

Principle Four: A Publicly Funded Media Ecosystem

The BBC is protected, strengthened, and properly funded through a reformed licence fee mechanism indexed to inflation and placed on a five-year statutory review cycle, insulated from year-to-year political interference. Senior BBC governance is depoliticised through parliamentary appointment processes.

Beyond the BBC, a **Public Interest Journalism Fund**, funded by the platform levy and managed independently of government, provides multi-year grants to qualifying news organisations meeting defined standards of editorial independence, local community coverage, and accuracy. The fund is administered by an independent board, its grants are published, and no government minister has a role in individual funding decisions.

Channel 4's public ownership is retained. Its remit for original British content, regional production, and educational programming is strengthened, not diluted.

6.3 Critical Thinking in the Schools Curriculum

Why Schools Are the Long-Term Solution

Structural media reform addresses the supply side of the misinformation problem: the concentration of ownership, the algorithms, the absent regulation. But it cannot, by itself, produce citizens capable of navigating the information environment they already inhabit. That requires an educational programme that addresses the demand side: building, in every person, the cognitive capacity to evaluate claims, recognise manipulation, distinguish evidence from assertion, and form judgements on the basis of reason rather than emotion.

This is not a utopian ambition. It is a documented, teachable skill set. The academic field of media literacy, and the allied fields of critical thinking pedagogy and epistemology, have produced a substantial body of evidence on how these capacities can be developed and what teaching methods are most effective (Hobbs, 2010; McGrew et al., 2018). Several European education systems — Finland’s above all — have explicitly embedded media literacy and critical thinking as core curriculum components, with measurable results in population-level resistance to misinformation (Muraja and Ahlqvist, 2018).

What the Curriculum Should Include

The proposed curriculum addition is not a single subject but a set of competencies that are taught across multiple subjects from primary school through to sixth form, in the same way that literacy and numeracy are currently embedded across subjects rather than confined to English and mathematics lessons.

Primary level (ages 5-11): Introduction to the concept of sources — where does information come from, and does it matter? Simple exercises in identifying the difference between things someone knows, things someone believes, and things someone is guessing. Introduction to the concept of advertising and the difference between persuasion and information. Basic internet safety framed as information literacy: who made this, why, and how can I check?

Lower secondary (ages 11-14): Structured analysis of news articles: what is the claim, what is the evidence, who benefits from this being believed? Introduction to logical fallacies — the straw man, the false dilemma, ad hominem, appeal to authority. Practical exercises in cross-referencing claims across multiple sources. Introduction to the concept of bias and how it operates in both individual reasoning and institutional practice.

Upper secondary (ages 14-18): Statistical reasoning and the misuse of statistics: how to read a study, what sample sizes mean, the difference between correlation and causation, how visualisations mislead. Social media literacy: how algorithmic recommendation works, what filter bubbles are, how to identify coordinated inauthentic behaviour. Philosophy of knowledge and epistemic humility: what does it mean to

know something, what standards of evidence are appropriate for different kinds of claim, how to update beliefs in response to evidence.

Teacher training: The curriculum changes are meaningless without teachers equipped to deliver them. A national teacher training programme in media literacy and critical thinking pedagogy is funded from the education budget and delivered through existing continuing professional development structures. The Green Party's commitment to increased school funding (Green Party, 2024) provides the financial baseline; this programme is incorporated within it.

The Finnish Model

Finland's national curriculum has included media literacy as a core cross-curricular competency since 2016. Finnish students are taught to question sources, recognise propaganda techniques, understand algorithmic curation, and apply structured reasoning to contested claims. Finland consistently ranks among the most resistant populations to misinformation in European surveys, including the EU's annual Media Pluralism Monitor and the Reuters Institute Digital News Report (Reuters Institute, 2024).

The Finnish approach is not indoctrinatory. It does not tell students what to think. It teaches them how to think — how to evaluate the quality of evidence, how to recognise when they are being manipulated, and how to form and revise their own views through a disciplined process of inquiry. This is not a left-wing or right-wing educational value; it is the precondition

for any genuine democratic participation, regardless of the political direction in which a student's reasoning subsequently takes them.

6.4 The Democratic Safeguard: Protecting Speech, Preventing Capture

The most serious objection to media regulation is the one this section addresses most directly: that any government empowered to regulate press content or ownership is a government that can, given the wrong political conditions, use that power to suppress legitimate criticism and consolidate its own position.

This concern is real and historically well-grounded. The history of press regulation in authoritarian states — from the Soviet Pravda to the systematic capture of media in Hungary under Orbán — is a history of regulatory power used in exactly this way. The democratic case for press freedom is not merely ideological; it is the evidence of what happens when that freedom is absent.

The safeguards in the framework proposed here are designed to address this concern directly.

Ownership rules, not editorial rules: The restriction on foreign non-domiciled ownership does not govern what newspapers may say. It governs who may own them. This is a structural intervention in the market for media ownership, not in the content of speech. Editorial opinion is entirely unrestricted.

Independent statutory body, not ministerial control:

The Office for Press Standards is created by law and governs its own operations. No minister appoints its members, no minister directs its investigations, and no minister approves its sanctions. Its decisions are challengeable in independent courts. Its mandate is accuracy and transparency, not political conformity.

Algorithmic accountability to technical panel, not to government:

The platform algorithm review process is conducted by an Ofcom-appointed technical panel, not by ministers. The panel's mandate is empirical — does this algorithm systematically amplify false content — not political.

Curriculum designed around process, not conclusions:

The critical thinking curriculum teaches how to evaluate evidence, not what conclusions to reach. A student who applies the curriculum rigorously and concludes, for example, that the programme in this book is wrong, has used the curriculum correctly. The aim is epistemic quality, not political conformity.

The BBC's independence is strengthened, not weakened:

The reform of BBC governance is designed to reduce political control, not increase it. Parliamentary cross-party appointment processes are harder to manipulate by any single government than the current system of direct ministerial appointment.

The ultimate safeguard, as in every other chapter of this book, is the combination of democratic elections, independent courts, and a free press that the programme simultaneously protects and regulates. A regulatory framework that

citizens, journalists, and opposition parties can scrutinise and challenge is structurally different from a regulatory framework that answers only to the governing party.

6.5 The European Application

Media ownership concentration and digital misinformation are pan-European problems, and several of the most serious instances are occurring in EU member states where this book's proposed European programme would operate.

Hungary provides the clearest cautionary example. Over the course of a decade, the Orbán government systematically transferred control of Hungary's major media outlets to government-aligned owners, defunded oppositional broadcasting, and used regulatory mechanisms to silence critical journalism. Hungary now ranks near the bottom of European press freedom indices (Reporters Without Borders, 2025). The mechanism was ownership, not censorship: the government did not ban critical newspapers; it ensured they had owners who would not fund them.

The European approach to media ownership reform would draw on:

European Media Freedom Act (EMFA): The EU adopted the EMFA in 2024, establishing for the first time a framework of common standards for editorial independence, media ownership transparency, and state advertising. Its implementation and enforcement remains uneven. A coordinated commitment by member states to full EMFA implementation, supplemented

by the ownership residency requirements proposed in this chapter, would represent a significant strengthening of European media pluralism.

Platform regulation: The EU's Digital Services Act (DSA) provides a framework for platform accountability broadly comparable to what is proposed in this chapter. UK alignment with DSA standards — possible through bilateral frameworks regardless of Brexit — would ensure that algorithmic accountability requirements apply consistently across the European information environment.

Media literacy as an EU education standard: The European Commission's Media Literacy Expert Group has advocated for comparable curriculum approaches to those proposed here. An EU-wide standard, built into the framework of the Copenhagen Process on education cooperation, would allow member states to share curriculum materials, training resources, and assessment frameworks for media literacy — reducing the cost of implementation for each individual state and building a common European information culture.

The political vision underlying this section of the book is the same as that underlying its approach to housing, transport, and governance: that European democracies face common structural problems to which common structural responses are available, and that the countries which move first set the template. An information environment in which citizens can form genuine opinions on the basis of accurate information, regardless of who owns the newspaper or designs the algorithm, is both a precondition for the programme in this book and a goal worth pursuing in its own right.

The European Edition

Democratic Modernisation as a Continental Programme

“European democracies demonstrating, in practice and in public, that clean water, affordable housing, working transport, and competent governance are achievable within a framework of elections, rights, courts, and press freedom — provide the most powerful available argument against the authoritarian political alternatives gaining ground across the continent.”

— *Chapter Four, Section 4.4*

Introduction: Why Europe Needs This Programme

The argument of this book has been made, until this chapter, primarily in the British context. The failures described — the financialisation of housing, the dysfunction of the planning system, the extraction of value from public services, the hollowing of the state — are presented as British failures in need of British remedies.

They are not only British failures.

The same structural patterns are visible, in differing degrees and institutional forms, across the European Union and its neighbours. Bank credit flows preferentially into property over productive investment in France, Italy, Spain, and throughout Central and Eastern Europe. Housing affordability crises are acute in Dublin, Amsterdam, Paris, Berlin, and Lisbon. Infrastructure delivery is slower and more expensive in most European democracies than it was a generation ago. Social care systems are strained across the continent by ageing populations, inadequate public investment, and the same privatisation dynamics that have weakened British provision. And the visible failure of democratic governance to deliver basic public goods is, across Europe, creating the political space for authoritarian populist movements that are explicitly anti-democratic in their stated intentions.

This chapter argues that the programme described in the preceding four chapters is not merely a British programme. Adapted for specific national institutional contexts, it is a European programme — a framework for the democratic renewal of state capacity across the continent. It is also, the chapter argues, the most effective political response

to the authoritarian challenge: not through ideological confrontation but through the demonstration that democracy, when it works, works better.

The chapter is organised in five sections: a country-by-country survey of the crisis dimensions relevant to each peer democracy; an analysis of the institutional pathways through which a European programme could be developed; a proposal for a European Democratic Modernisation Framework; a treatment of the specific challenges facing Central and Eastern European democracies; and a concluding statement of the European political vision.

Section E.1: The Crisis Across Europe

Germany

Germany presents the most paradoxical case in the European landscape: a country with the most powerful public development bank in the world (KfW), the most stable long-term political culture in the major European democracies, and yet a housing crisis — particularly in Berlin, Munich, Hamburg, and Frankfurt — that has produced the fastest-rising urban rents in the continent over the past fifteen years.

The paradox is partly explicable. Germany's social housing sector, once among the largest in Europe, has been systematically reduced since the 1990s. Approximately 40,000 units of social housing leave the sector every year as price controls on formerly subsidised stock expire, with the government not acting at sufficient scale to replace them (House Our Neighbors, 2024). Berlin, which sold off much of its municipal housing stock in the early 2000s to balance the city budget, has spent the subsequent decade attempting to buy it back at dramatically higher prices. The lesson is precisely the one this book draws from the UK experience: public housing stock, once disposed of, is extraordinarily expensive to replace — and the communities who depended on it cannot wait for the replacement to arrive.

Germany's infrastructure challenges are less acute than the UK's but real: the Deutsche Bahn network, despite its scale, has suffered from underinvestment and growing unreliability; the digitalisation of government services has lagged behind

smaller European neighbours; and the energy transition, while advancing, requires a scale of public investment that KfW alone cannot provide.

Germany's key contribution to the European programme is its model of public development banking, already described throughout this book. The European programme begins, in Germany's case, with the extension of KfW's existing model to cross-border investment and to a more formal coordination role within a European development bank network.

France

France has, in its institutional tradition, many of the elements this book proposes for the UK. The Caisse des Dépôts provides long-term public finance for infrastructure, housing, and local government. France Stratégie provides long-term economic planning capacity. The ENA/INSP tradition produces senior civil servants with deep technical knowledge. The TGV network — built through a publicly owned operator with a statutory mandate and land acquisition at existing use value — is one of the most successful examples of democratic state-led infrastructure delivery in the modern world.

And yet France faces acute housing affordability crises in Paris, Lyon, and Bordeaux; a social care system under strain from an ageing population and inadequate public investment; and a political culture in which the failures of the state — particularly in the suburban banlieues that have been systematically neglected by the republican universalist tradition — are generating precisely the political discontent that this book identifies as the most dangerous consequence of governance failure.

France's social housing system is both larger than the UK's and less well-maintained. The *grands ensembles* — the large peripheral housing estates built from the 1950s through the 1980s — have become, in many cases, the concentrated zones of poverty and social exclusion that Vienna's mixed-income model has deliberately avoided. The French programme needed is less one of public housing construction and more one of urban renewal and social mixing within existing publicly owned stock — a different emphasis from the UK programme, but drawing on the same underlying principles of investment, quality, and integration.

France's governance challenge is also distinctive: its centralised tradition has produced a state capable of delivering major infrastructure but less capable of the local, participatory governance that effective social services require. The French European contribution would be its infrastructure delivery model; the French domestic challenge is the democratisation of its public services.

The Netherlands, Belgium, and Austria

These three countries represent the positive reference cases most directly comparable to the UK in scale, density, and institutional tradition.

The Netherlands has, in recent decades, developed one of the most sophisticated examples of zoning-based planning in the world. Its “active land policy” — under which municipalities acquire land at existing use value before granting planning permission, capture the uplift, and use it to fund infrastructure — is precisely the land value capture mechanism proposed in this book’s first chapter. Dutch cities consistently demonstrate that dense, mixed-use, high-quality urban development is compatible with democratic local governance when the incentive structures are correctly aligned. The crisis the Netherlands now faces is that this model has been partially eroded by neoliberal reforms since the 1990s, and housing affordability in Amsterdam and Rotterdam has deteriorated sharply.

Belgium’s experience is a cautionary tale about the limits of fragmented governance: a country divided between French-speaking Wallonia and Dutch-speaking Flanders, with a federal government that has limited capacity to coordinate national infrastructure, and cities — Brussels above all — that have accumulated significant urban dysfunction as a consequence. Belgium demonstrates that the coordination function of a national development institution (the DND as proposed) is essential; distributed responsibility without coordination produces neither efficiency nor accountability.

Austria — and Vienna specifically — is the positive exemplar invoked throughout this book. Vienna's social housing programme has already been discussed extensively. At the national level, Austria's public utility ownership model — where water, energy, and substantial portions of rail remain in public hands — has produced both better quality and lower cost than the UK's privatised equivalents, at the price of a somewhat less dynamic innovation culture in those sectors. The balance is defensible: citizens who have clean water, affordable energy, and reliable trains are not obviously poorer for having accepted it.

The Nordic States

Sweden, Norway, Denmark, Finland, and Iceland occupy a distinct position in this analysis. They are, in most of the dimensions this book addresses, already operating something very close to the programme proposed here: public development banks, publicly owned utilities, universal social services, zoning-based planning systems, and multi-party coalition governments that produce broadly stable long-term policy.

Their crisis, to the extent they face one, is different: the pressure of migration, fiscal sustainability of generous welfare states as populations age, and the challenge of maintaining the social consensus on which the Nordic model depends in a more economically polarised and politically fragmented world. These are not the crises this book primarily addresses, though the governance proposals of Chapter 4 — long-term planning, cross-party mandates, transparent accountability — have relevance to them.

The Nordic contribution to the European programme is demonstrating, over decades, that democratic state capacity and individual freedom are not only compatible but mutually reinforcing. The social trust that underlies Nordic governance — the high levels of confidence in public institutions, the low levels of perceived corruption, the sense that the state is genuinely working for the population — is both a consequence of the model described in this book and its most important precondition. Building that trust in countries where it has been eroded requires exactly the governance programme proposed here.

Southern Europe: Spain, Italy, Portugal, and Greece

The Southern European states present the most acute versions of several of the crises described in this book, and the most complex political contexts for addressing them.

Spain has a severe housing affordability crisis in Madrid and Barcelona that rivals London's, driven by the same combination of constrained planning supply, financialised credit, and the entry of short-term rental platforms into markets that had previously provided long-term residential housing. Spain's social housing sector is among the smallest in Europe as a proportion of total stock; its planning system, though formally a zoning model, is subject to significant regional variation in quality and corruption.

Spain's public development bank (ICO) and its regional counterparts provide a framework that could be scaled on the NIB model. The Spanish political context — a coalition government with significant regional diversity — makes coordinated national programmes challenging but not

impossible; the regional mutual bank structure proposed for the UK has direct parallels in Spain's autonomous community financial architecture.

Italy presents the starkest example of governance capacity failure. The country has the lowest rate of public investment as a proportion of GDP in the Eurozone, a planning system burdened by extraordinary legal complexity and delay, a public administration characterised by deep fragmentation between levels of government, and a history of state capacity being weaponised by organised crime in ways that have permanently damaged public trust in state action.

And yet Italy has significant institutional assets: its Cassa Depositi e Prestiti is one of the largest national development banks in Europe; its industrial regions (Emilia-Romagna, Veneto, Lombardy) have demonstrated that Italian firms can achieve world-class manufacturing competitiveness when institutional support is adequate; and its cities — Milan, Bologna, Turin — have demonstrated that Italian urbanism can achieve both density and quality when political will is present. Italy's European contribution is its existing industrial and financial institutions; its domestic programme is the governance and anti-corruption reform that would enable those institutions to operate at their potential.

Portugal and **Greece** have both emerged from severe austerity programmes imposed by EU creditors in the 2010s with permanently damaged public sectors — civil service capacity reduced, infrastructure investment frozen, social services degraded — and are now attempting the reconstruction of state capacity in the context of fiscal constraints that were not of their making. The European

programme is, for both countries, both a model and a political resource: the argument that European partners are committed to rebuilding democratic state capacity, rather than simply demanding fiscal consolidation, is politically important and practically credible only if it is demonstrated in the lead economies.

Central and Eastern Europe: The Authoritarian Gradient

The most urgent European political context for the argument of this book is Central and Eastern Europe, where the failure of democratic governance to deliver visible public benefits has provided the most fertile ground for authoritarian populism.

Hungary, under Orbán since 2010, Poland under PiS from 2015 to 2023, Slovakia under Fico — these are not anomalies. They are the leading edge of a political trend driven, at least in part, by the accurate perception that the democratic governments that preceded them failed to deliver the material improvements in ordinary people's lives that EU accession and democracy's advocates had promised.

The irony is acute: the authoritarian governments that replaced ineffective democracies have, in most cases, also failed to deliver material improvements — their economic management has been at least as poor, their corruption more systematic, and their public services no better. What they have delivered is a sense of cultural identity, political belonging, and visible decisiveness that democratic governance, in its technocratic and incremental form, has failed to provide.

The democratic response to this is not primarily ideological. It is material. Democracy needs to demonstrate, visibly and quickly, that it delivers clean water, affordable housing, working hospitals, and honest government. The programme described in this book is, for Central and Eastern Europe, the political antidote to the authoritarian appeal — not because it argues against authoritarianism but because it makes the democratic alternative tangibly better.

Section E.2: Institutional Pathways

The European Investment Bank

The European Investment Bank, owned by all EU member states and operating under a mandate to support EU policy objectives, is the largest multinational development bank in the world. It lends approximately €70–80 billion per year across all sectors. Its governance has been criticised for insufficient democratic oversight — its board meetings are not public, its lending decisions are not fully transparent, and its mandate has been shaped by industrial lobbying in ways that have drawn criticism from environmental and social justice organisations.

The European programme proposed here would reform EIB governance toward the model described for the NIB in Chapter 1: statutory mandate approved by the European Parliament, publicly accessible lending register, quarterly portfolio reviews, and an independent audit function reporting to a dedicated parliamentary body. The EIB's role in the European development bank network would shift from coordinator

to co-lender of last resort for cross-border infrastructure investments that individual national development banks cannot finance alone.

National Development Bank Network

A formal network of European national public development banks — KfW, Caisse des Dépôts, CDPE (Czech Republic), BGK (Poland), HBOR (Croatia), and others — would operate under common governance and transparency standards, share risk assessment methodologies, and develop joint financing instruments for cross-border infrastructure. The network would not create a new supranational institution; it would formalise the bilateral relationships that already exist between the major players and extend them to include smaller member states' development banks on equitable terms.

The practical benefit is risk-sharing on cross-border projects. A new rail link between Poland and Germany, for example, requires both countries' development banks to commit simultaneously to project finance. A network with formalised co-financing mechanisms makes this commitment faster, cheaper, and more reliable than bilateral negotiation on a project-by-project basis.

EU Cohesion Policy and Structural Funds

The European Union's cohesion policy — the largest component of the EU budget, distributing approximately €400 billion over the 2021-2027 period — is the existing instrument for reducing economic disparities between regions and member states. It provides capital grants for infrastructure, skills, and enterprise development, with a requirement for domestic co-financing that encourages recipient states to build their own investment capacity.

The European Democratic Modernisation Framework proposed below would align cohesion policy priorities with the programme of this book: housing, transport, digital infrastructure, and social services, with a strong preference for in-house public delivery over private contractor delivery, and a requirement for governance transparency as a condition of receipt.

Section E.3: The European Democratic Modernisation Framework

The **European Democratic Modernisation Framework (EDMF)** is the institutional expression of the programme described in this chapter. It is not a new EU institution. It is a coordinated commitment, expressed through existing and reformed instruments, to a common programme of democratic state capacity renewal across Europe.

The Four Commitments

Commitment One: Strategic Finance. Every member state commits to establishing or strengthening a national public development bank meeting the NIB governance standards described in Chapter 1, and to participating in the European National Development Bank Network with its associated co-financing and risk-sharing instruments. Common minimum transparency standards apply to all participating institutions.

Commitment Two: Urban Quality. Every member state commits to a national housing programme meeting minimum annual output targets as a proportion of household formation, and to the adoption of planning standards enabling by-right development for projects meeting agreed density, environmental, and design quality criteria. European minimum standards for public transport provision and green infrastructure are embedded in cohesion policy conditionality.

Commitment Three: Universal Services. Every member state commits to meeting minimum standards for water quality, energy affordability, social care provision, and early years education, with annual transparent reporting against common metrics. The EU Charter of Fundamental Rights is interpreted to include a right to these minimum standards, and the European Court of Justice has jurisdiction to hear cases of manifest failure.

Commitment Four: Governance Capacity. Every member state commits to publishing an annual civil service capacity assessment against common metrics; to establishing a national project delivery audit function with independence equivalent to a national audit office; and to participating in

a European exchange programme through which senior civil servants are seconded to institutions in other member states and return with documented learning.

The Democratic Legitimacy of the Framework

The EDMF is explicitly not a form of EU governance expansion. The commitments are made by national governments and implemented by national institutions. The common standards are set through a process of negotiated agreement among member states, not imposed by Commission directive. The enforcement mechanism is transparency and political accountability, not legal sanction.

This design is deliberate. The authoritarian movements that the Framework is, in part, designed to counter, gain their strongest traction from the perception that EU institutions are remote, undemocratic, and imposing uniform standards on diverse national cultures. A framework that operates through national institutions, with transparency to national parliaments, and with flexibility for national variation within common minimum standards, does not provide that traction. It demonstrates, instead, that democratic cooperation can achieve shared goals without homogenisation.

The UK, post-Brexit, can participate in the substantive programme — establishing NIB, reforming planning, rebuilding state capacity, investing in social services — and can seek bilateral alignment with the EDMF's standards and coordination mechanisms, without requiring formal EU membership. The alignment is available; the formal structure is separate. This is, in practice, the most likely path: a UK

that has rebuilt its democratic state capacity to European standards will find bilateral coordination with European partners considerably easier than a UK that has not.

Section E.4: Central and Eastern Europe — The Priority Case

The urgency of the European programme is greatest in Central and Eastern Europe, where the democratic deficit has produced the most acute political consequences. This section addresses three specific dimensions: institutional capacity, the authoritarian inheritance, and the role of EU membership as a political resource.

Building Institutional Capacity Where It Is Weakest

The countries of Central and Eastern Europe that joined the EU in 2004 and 2007 were, at accession, states with incomplete institutional development: civil services that had been reformed but not yet professionalised; public investment systems that depended heavily on EU Structural Funds; planning systems that mixed Soviet-era zoning frameworks with liberal property market assumptions; and social services that had been partially privatised under structural adjustment programmes without adequate public investment to compensate.

Two decades of EU membership have produced significant improvements in institutional quality in some of these countries — Poland and the Czech Republic above all — and less improvement in others. The key variable is whether EU cohesion funds have been used to build lasting domestic institutional capacity or merely to complete specific projects

without the governance infrastructure to maintain them. The latter pattern is common and it is the one that leaves countries most vulnerable to authoritarian populist offers: the EU has funded the motorway, but the hospital is still inadequate; the EU has funded the university, but the civil service still does not work.

The EDMF addresses this by reorienting cohesion policy conditionality toward governance capacity building rather than project delivery alone. A member state that uses EU funds to establish an NIB-equivalent institution, to professionalise its civil service, and to establish transparent project delivery accountability, earns the enhanced co-financing ratios that reward genuine institutional development. A member state that uses EU funds to complete politically visible projects without building the institutions to sustain them does not.

The Authoritarian Inheritance

Countries that have experienced periods of authoritarian government within the EU framework — Hungary since 2010, Poland from 2015 to 2023 — face a specific challenge: the institutions they need to build are, in some cases, the same institutions that the authoritarian government deliberately weakened. The independence of the judiciary, the autonomy of the civil service, the freedom of the press, the integrity of electoral administration — all of these were targets of authoritarian consolidation, and all of them are prerequisites for the accountability mechanisms on which the programme of this book depends.

The European Democratic Modernisation Framework cannot operate effectively in a country where the courts are packed, the press is controlled, and the civil service answers to a single party. The EDMF's governance commitment therefore includes minimum standards of institutional independence — judicial, electoral, press freedom — as conditions of participation. This is not a new EU accession conditionality; it is the specification that effective democratic governance requires the institutions of democratic governance to function.

The EU as Political Resource

For citizens in Central and Eastern European democracies who are committed to democratic governance and feel threatened by authoritarian populism, the EU represents both a political resource — an external anchor for democratic norms and a source of political solidarity — and a liability, when its institutional distance and technocratic character alienates the very citizens whose democratic engagement is most urgently needed.

The European Democratic Modernisation Framework addresses this liability directly. By refocusing European cooperation on visible, material improvements to the quality of everyday life — cleaner water, more affordable housing, working public transport, honest government — it makes the European commitment to democracy concrete rather than abstract. The argument for Europe should not be primarily about the rule of law in the abstract, though that argument matters; it should be about the water coming clean, the trains running on time, and the civil servants telling the truth. Those things are what people actually care about; those things are what democratic governance, at its best, can deliver; and those things are what the European Democratic Modernisation Framework commits European democracies to providing.

Section E.5: A Continent That Works — The European Vision

The vision that animates this chapter and, in its European extension, this book, is simple to state and difficult to achieve: that every citizen of every European democracy should be able to take for granted the basic conditions of a decent, connected, safe, and dignified life.

Clean water from the tap. A home they can afford. A hospital when they are sick. A train to take them to work. A school for their children that is properly maintained and properly staffed. A government that tells them the truth, spends their money honestly, and completes what it begins.

None of these things is utopian. All of them exist, today, in some European countries. The programme of this book is to make them universal — to replace the luck of geography and postcode with the guarantee of citizenship.

The political case for this vision is not primarily moral, though the moral case is overwhelming. It is strategic. The authoritarian movements gaining ground across Europe do not win because they offer better governance — they manifestly do not — but because they offer a compelling narrative of enemies and betrayal to citizens who have lost confidence that democratic governance will ever deliver what they need. That narrative loses its power only when democratic governance demonstrably delivers.

A country that works is the best argument for democracy. A continent of countries that work is the best argument against authoritarianism. The programme of this book is, in its European dimension, that argument made concrete —

in clean rivers, in affordable homes, in trains that run, and in governments that build what they say they will build and admit when they have failed.

That is the European vision. It is available. It is affordable. It requires political will, institutional investment, and the patient accumulation of public trust. It begins with each country that decides to try.

Conclusion: A Country That Works

Five chapters. Four policy failures. Five programmes for repair — and one constitutional foundation.

The argument has been made, as far as possible, in the language of evidence: the sewage discharge data, the PFI dividend figures, the consultancy spending ledgers, the comparative housing statistics, the infrastructure cost per mile. The proposals that follow from that evidence are specific: the National Investment Bank, the Sovereign Wealth and Enterprise Fund, the zoning reform, the housing programme, the rail renationalisation, the PFI termination, the water remunicipalisation, the Community Canteens, the Department of National Development, the civil service rebuild, the digital state, and the proportional electoral system that locks the whole programme against reversal by minority-mandate governments. Each has precedent in functioning democracies. Each is costed in broad terms. Each is bounded by democratic safeguards.

But the argument deserves, at the end, a statement not of mechanism but of vision — because mechanisms without vision are merely technocracy, and the country needs both.

The Vision

A country that works is a country in which the water is clean. In which a person who works in a city can afford to live in it. In which trains run on time, at prices ordinary people can pay, connecting every part of the country to every other part. In which the elderly are cared for with dignity, not left on hospital wards for want of a care home place. In which children eat a good meal at school, regardless of what their parents earn. In which the public realm — the parks, the libraries, the community halls, the streets — is maintained and beautiful and genuinely public.

None of this is utopian. Every item on this list already describes the normal lived experience of citizens in Vienna, Copenhagen, Helsinki, Zurich, and dozens of other European cities. These are not hypothetical futures; they are documented presents. The United Kingdom's failure to provide them is a political choice, not an economic necessity.

A country that works is also a country in which the state is genuinely trustworthy. In which information about how public power is exercised is, by default, public. In which independent courts enforce the law against the state as readily as against the individual. In which elections produce governments with real mandates, not artificially amplified majorities. In which the civil service can look a minister in the eye and say: this will not work, and here is the evidence.

This is what state capacity, in a democracy, actually means. Not the power of the state over the citizen — that is authoritarianism — but the power of the citizen, exercised collectively through transparent democratic institutions, over the conditions of their own shared life.

The Scale of the Task

Nothing in this book should be read as minimising the difficulty of what is proposed. The rebuilding of state capacity, after forty years of systematic dismantling, is a generational project. The institutional habits — the reflexive outsourcing, the short-term budget management, the ministerial announcement culture, the planning-as-brake mentality — are deeply embedded. The political economy of the status quo is powerful: the property owners, the financial intermediaries, the infrastructure operators, the consultancy industry, the development land speculators — all of these interests benefit from the current arrangements and have the resources to defend them.

The argument of this book is not that the transformation will be easy. It is that the alternative is worse — that a country which does not clean its rivers, house its people, or build its infrastructure is a country in decline, and that decline, if not arrested, has its own political consequences. The rise of authoritarian populism across Europe is not disconnected from the visible failures of democratic governance. A democracy that cannot deliver will, eventually, lose the argument to those who offer a different model.

The most powerful case for what is proposed in these pages is not the economic efficiency argument, though that argument stands. It is not the social equity argument, though that argument stands also. It is the democratic argument: that if the United Kingdom cannot demonstrate, within the next ten to fifteen years, that it can clean its water, house its people, connect its cities, and care for its elderly — that democratic

governance can deliver the things a modern society requires — then the political space for something considerably worse will continue to grow.

This book is written in the belief that it can. That the institutional knowledge has not entirely been lost. That the international examples are close enough and well-documented enough to learn from. That there is, in the British public, both the desire for a state that works and the political intelligence to recognise a programme that might deliver it.

The question is whether the political system has the will to try.

Afterword: The European Dimension

Throughout this book, European comparisons have served as both evidence and argument: evidence that the things being proposed work in practice, and argument that they can therefore work in the UK. In this Afterword, the European dimension receives a summary treatment as a political statement. For the full analysis — country by country, institution by institution, and with a proposed European Democratic Modernisation Framework — see *The European Edition* chapter that follows.

Britain and Europe

The United Kingdom left the European Union in January 2020. The consequences of that departure — economic, diplomatic, institutional — continue to unfold and remain contested. This book takes no position on the merits of Brexit as a political decision; it is not a book about Brexit.

What it does take a position on is this: the deep structural challenges described in these pages — the failure of private credit to fund productive investment, the inability to build housing and infrastructure, the extraction of value from public services by financial intermediaries, the erosion of state capacity — are challenges that the UK shares, in varying

degrees, with most of its European neighbours. And the solutions proposed here are, in several important respects, either already implemented by European neighbours or more effective when coordinated across European borders.

This is not an argument for rejoining the European Union. It is an argument for recognising that the UK's national interest in successful democratic governance is aligned, structurally and practically, with the interest of other European democracies in the same goal — and that the formal institutional relationship between the UK and Europe is less important than the substantive political relationship between a UK committed to democratic modernisation and European partners committed to the same.

A European Programme

The specific mechanisms for European coordination proposed in each chapter of this book can be summarised as follows.

Finance: Coordination between the proposed UK National Investment Bank and the existing European public development banks — Germany's KfW, France's Caisse des Dépôts, the European Investment Bank — to share risk on cross-border infrastructure projects, establish common standards for strategic lending, and develop a European sovereign wealth framework. The Green Bonds framework already developed by KfW (which raised €14 billion in green bonds in 2025 alone) provides a model (KfW, 2025a). A coordinated European approach to credit direction, operating across multiple national development banks under common transparency and governance standards, would dramatically increase the pool of available capital for the green transition.

Infrastructure: A European Spatial Development Framework establishing common standards for urban density, public transport provision, housing affordability, and green infrastructure quality. The framework would not mandate identical solutions but would create a baseline of expectation and a common assessment methodology. It would also enable the pooling of procurement for standard infrastructure components — rolling stock, energy storage systems, construction materials — that would reduce unit costs for all participating states.

Public Services: European minimum standards for universal services — water quality, energy pricing, social care provision, early years education — anchored in the existing EU Charter of Fundamental Rights and the European Social Charter. These standards would give national governments political support for the investment required to meet them, and would create a floor beneath which privatisation-driven service deterioration cannot fall.

Governance: A European School of Public Administration, providing structured training for senior civil servants from across member states in project delivery, democratic accountability, digital public services, and evidence-based policy. The EU's own technical assistance arms already provide some elements of this; the proposal is to scale and systematise them, drawing specifically on the national strengths — French technical training, German professional civil service, Estonian digital governance, Nordic long-termism — that exist across the continent.

The Political Argument

The deeper political argument for the European dimension is this: the visible failures of democratic governance in Western Europe — the sewage in the rivers, the unaffordable housing, the crumbling infrastructure, the lengthening waiting lists — are providing ammunition to those who argue that liberal democracy is structurally incapable of delivering the things people actually need. The argument is wrong, as the examples of Vienna, Helsinki, Copenhagen, and Tallinn demonstrate daily. But it will continue to gain traction as long as the democracies that could demonstrate its wrongness continue to fail to do so.

A coordinated European programme of democratic modernisation — states demonstrating, in practice and in public, that clean water, affordable housing, working transport, and competent governance are achievable within a framework of elections, rights, courts, and press freedom — is the most powerful argument available against the authoritarian political alternatives that are gaining ground across the continent.

This book has argued that such a programme is available to the United Kingdom, that the tools are understood, the precedents are documented, and the public appetite for something better is demonstrably real. The European dimension extends that argument to the continent as a whole.

The vision is the same: a country — or a continent — that works.

Appendix: Honest Counter-Arguments

A persuasive book is strengthened, not weakened, by honest engagement with its strongest critics. The proposals in this volume are serious and deserve serious objections. This appendix collects the most substantive counter-arguments under each of the four policy chapter headings, presents them fairly, and offers a considered response. Readers who find the responses insufficient are encouraged to pursue the referenced literature.

On Chapter One: Socialised Finance and Investment

Counter-Argument 1: Public development banks have a poor track record

The objection: State-directed credit has historically produced significant misallocation. Public development banks in countries with weaker governance traditions have become vehicles for political patronage, directing loans to favoured regions, industries, and political allies rather than to economically productive uses. The UK Atomic Energy Authority, British Steel, British Leyland — the history of British state-owned industrial investment is not a success story.

The response: The objection has force in relation to poorly governed institutions and specific historical contexts. It does not apply with equal force to the best-functioning examples. Germany's KfW has operated for over seventy-five years with a strong record of both productive investment and governance integrity. France's Caisse des Dépôts has a two-century track record. Norway's sovereign fund has operated for thirty-five years without significant political capture.

The British historical examples cited — British Leyland, British Steel — reflect a different model: direct government ownership of manufacturing companies, with ministers able to instruct management decisions for political reasons. The model proposed here is explicitly different: independent governance, statutory mandate, published lending decisions, parliamentary accountability, and no ministerial ability to direct individual loans. The institutional design is the critical variable, and the institutional design proposed here is specifically designed to prevent the failure modes of the British 1970s experience.

Counter-Argument 2: The UK cannot afford the borrowing required

The objection: The UK already carries a large national debt. The additional borrowing implied by capitalising a National Investment Bank, a Sovereign Wealth Fund, buying out PFI contracts, and renationalising utilities would increase that debt further, with adverse consequences for borrowing costs and fiscal stability.

The response: The argument conflates public sector net debt with public sector net worth. When the state borrows to acquire a productive asset — an equity stake in a utility, a loan that will be repaid with interest, a social housing stock generating rental income — it increases its liabilities but also increases its assets. Net worth may be unchanged or improved.

The UK's public sector net worth has been substantially negative for much of the period since the 1990s, precisely because of the systematic disposal of public assets and the accumulation of off-balance-sheet PFI liabilities without acquisition of equivalent assets. The Green Party's explicit rejection of "self-imposed straitjacket of conventional fiscal rules" in favour of borrowing to invest reflects a widely shared view among public economists that the relevant fiscal constraint is not gross debt but net worth and the productive return on public investment (Green Party, 2024). The IMF and OECD have both noted that the UK's historically low public investment as a proportion of GDP is itself a drag on productivity growth (IMF, 2022; OECD, 2023).

On Chapter Two: Radical Urbanism and Infrastructure

Counter-Argument 3: Planning reform removes legitimate community voice

The objection: The existing discretionary planning system, for all its faults, gives communities genuine influence over the development of their environment. A rules-based, by-right system removes that influence. The result is development that is legally compliant but socially inappropriate, imposed on communities without meaningful consent.

The response: This objection contains a genuine insight: community input into the planning of places is valuable, and the proposal does not dismiss it. The response is to relocate that input to where it is most effective and most inclusive.

In the current system, community input is most effectively exercised by those with the resources, time, and professional knowledge to engage with individual planning applications. It is least effectively exercised by those — typically lower income, less propertied, less connected — who are most affected by housing shortages and poor public transport. The planning system, as a mechanism for democratic participation, is systematically biased toward the affluent.

The zoning model proposed here locates community input at the regional plan stage, where it is structured as genuine deliberative participation in the definition of long-term land use strategies, rather than as the informal veto that the current system offers to well-organised objectors. This is a different kind of democratic participation — broader, more structured, and more likely to reflect the interests of those currently excluded from the planning process.

Counter-Argument 4: High-density urban housing creates social problems

The objection: The history of high-rise social housing in Britain — Grenfell Tower, Park Hill, Hulme Crescents — is a history of social dysfunction, isolation, and disaster. High-density housing is not inherently superior to suburban development; it has specific failure modes that British experience has documented painfully.

The response: The British high-rise housing disasters of the post-war period reflect specific failure modes: poor construction quality, inadequate maintenance, concentration of poverty in isolated estates cut off from surrounding urban fabric, and the stigmatisation of social housing itself. None of these are inherent to density. They are consequences of under-investment, poor design, and the political abandonment of social housing after the 1980s.

Vienna's social housing is high-density. It is also high-quality, well-maintained, mixed-income, integrated into the surrounding urban fabric, and consistently associated with positive social outcomes (Wiener Wohnen, 2024). The distinction between Grenfell and Vienna is not one of density; it is one of design standard, investment level, and political commitment. The proposal in Chapter 2 explicitly addresses all three: the National Design Commission, the NIB funding, and the statutory mandate.

On Chapter Three: Public Services and Social Connection

Counter-Argument 5: Nationalised utilities in the 1970s were also poor

The objection: The nationalised water, energy, and rail industries of the 1970s were not paragons of efficiency or environmental responsibility. Water quality was poor. Power cuts were common. Trains were unreliable. The case for nationalisation cannot rest on a nostalgic version of the public sector that never existed.

The response: This objection is historically fair. The nationalised industries of the post-war period had real problems: industrial disputes, underinvestment, producer-capture by their own workforces, and the political use of pricing decisions for macroeconomic purposes. These are not fabricated criticisms.

However, the alternative being proposed is not a return to the 1970s. It is the adoption of a governance model characteristic of the best-performing publicly owned utilities in the 21st century, informed by thirty years of experience with what works and what doesn't. The governance proposals — independent management, published performance standards, citizen panels, independent regulators with public-interest majority boards — are designed specifically to address the failure modes of 1970s nationalisation.

The question is not between an idealised privatised model and a caricatured nationalised model. It is between the documented performance of the existing privatised water and energy sectors — sewage in rivers, debt-laden companies,

escalating bills, dividend extraction — and the documented performance of comparable publicly owned utilities in countries such as France, Germany, and Norway.

Counter-Argument 6: Community canteens represent unacceptable state paternalism

The objection: The state providing subsidised communal meals is an intrusion into private domestic life. It substitutes a collective provision for individual choice, and implies a judgement about how people should live that is incompatible with liberal principles of individual autonomy.

The response: The objection conflates state provision with state compulsion. Community Canteens, as proposed, are optional, open, and complementary to domestic life — not a replacement for it. A person who wishes to eat at home continues to eat at home. A person who wishes to eat in a community canteen has that option, at a price accessible to everyone, in a space that is also a social hub, a warm and welcoming public place.

The liberal principle of individual autonomy is not violated by the existence of a public park, a public library, or a public swimming pool — all of which are collective provisions that individuals may choose to use or not. The Community Canteen is in the same category. The objection would, if applied consistently, require the abolition of all optional public goods.

On Chapter Four: Governance and State Capacity

Counter-Argument 7: A Department of National Development risks bureaucratic empire-building

The objection: Large, powerful new departments tend to expand their remit, develop institutional interests in their own continuation, and resist accountability. The DND as proposed would be the largest concentration of strategic planning power in Whitehall in modern times, with all the risks that implies.

The response: The risk of bureaucratic capture is real and is taken seriously. The statutory mandate, the parliamentary confirmation of the Director, the dedicated Select Committee, the published project database, and the regular independent audit are all designed to constrain the DND's ability to expand beyond its statutory remit.

The more pertinent comparison is not between the DND and an idealised civil service of manageable departments but between the DND and the current reality: a dispersed, conflicting, short-termist collection of departmental units with overlapping remits, no institutional interest in long-term delivery, and a combined track record of cancellation and failure that the National Audit Office documents year after year. The DND's risks are real; the risks of the status quo are also real and are currently being borne.

Counter-Argument 8: Electoral reform will not, on its own, produce better long-term governance

The objection: Proportional representation systems have their own pathologies: coalition instability, the power of small parties to veto majorities, slow decision-making, and the entrenchment of party elites in negotiating processes that are opaque to voters. Italy has used various forms of proportional representation for decades without producing the policy stability this book advocates.

The response: This objection is partly valid, and the proposal here does not claim that electoral reform is sufficient on its own. The institutional reforms — the DND, the long-term project protection statute, the civil service rebuild — are designed to operate independently of the electoral system, and would provide some protection against short-termism under any electoral system.

The argument for PR is more modest: that a proportional system tends, on average and with significant variation, toward governments with broader mandates and less incentive for pure policy reversal. The Italian example is noted; so is the German, Dutch, Swedish, Finnish, and New Zealand examples, which are considerably more supportive of the proposition. Electoral reform is one element of a governance programme, not a sufficient condition for it.

A Final Word on Complexity and Humility

The eight counter-arguments collected here do not exhaust the case against what this book proposes. Thoughtful readers will identify further objections. Some of those objections will be better than the ones addressed here.

What this book claims is not that the programme it describes is perfect or without risk. It is that the programme is better, on the available evidence, than the continuation of the current course — and that the risks of inaction, in a country where the water is dirty, the housing unaffordable, and the state increasingly incapable, are at least as great as the risks of the reforms proposed.

The reader who remains unconvinced is asked not to dismiss the argument but to engage with it: to identify specifically what they would do instead, to assess whether that alternative has worked elsewhere, and to consider whether the current trajectory is acceptable. The case against change must, in the end, rest on something more substantive than the observation that change is difficult.

References

All references are presented in Harvard (author-date) format. Web resources were accessed between January and May 2026 unless otherwise stated.

A Aalbers, M. (2012) *The Financialisation of Home and the Mortgage Market Crisis*. Abingdon: Routledge.

Austrian Federation of Limited-Profit Housing Associations (2024) *Social Housing in Austria: Key Statistics*. Vienna: GBV. Available at: www.gbv.at [Accessed February 2026].

B Bank of England (1998) *Bank of England Act 1998*. London: HMSO. Available at: www.legislation.gov.uk [Accessed January 2026].

Bank of England (2014) 'Money Creation in the Modern Economy.' *Bank of England Quarterly Bulletin*, Q1. Available at: www.bankofengland.co.uk [Accessed February 2026].

Benwell, R. (2025) Quoted in: Natural World Fund (2026) *UK Sewage Pollution Crisis: 300,000 Spills in 2025*. Available at: www.naturalworldfund.org.uk [Accessed April 2026].

Blakeley, G. (2019) *Stolen: How to Save the World from Financialisation*. London: Repeater Books.

Blakeley, G. and Nanda, S. (2020) 'Financialization, Real Estate and COVID-19 in the UK.' *Environment and Planning A: Economy and Space*, 53(4), pp.1-8. Available at: PMC [Accessed February 2026]. doi:10.1177/0308518X20972320.

C Cabinet Office (2024) *New Controls Across Government to Curb Consultancy Spend and Save Over £1.2 Billion by 2026*. London: Cabinet Office, 14 November. Available at: www.gov.uk [Accessed February 2026].

Caisse des Dépôts (2024) *Annual Report 2023*. Paris: Caisse des Dépôts et Consignations. Available at: www.caissedesdepots.fr [Accessed February 2026].

Centre for Cities (2019) 'Why Financialisation is Not Causing the Housing Crisis.' London: Centre for Cities, 3 July. Available at: www.centreforcities.org [Accessed January 2026].

Centre for Health and the Public Interest (CHPI) (2023) 'How Private Finance is Crippling Health and Social Care.' London: CHPI. Available at: www.chpi.org.uk [Accessed January 2026].

Chengdu Urban Planning Bureau (2022) *Green Infrastructure Standards for Urban Development*. Chengdu: Chengdu Municipal Government.

CIPEA (2023) *Annual Library Survey 2022-23*. London: Chartered Institute of Public Finance and Accountancy.

Citizens' Assembly Ireland (2016) *Report of the Citizens' Assembly: Eighth Amendment of the Constitution*. Dublin: Citizens' Assembly.

Consultancy.uk (2025) 'Civil Servants Expect Consulting Spending to Rise.' 7 March. Available at: www.consultancy.uk [Accessed March 2026].

E e-Estonia (2024) *Digital Society: A Guide to Estonia's Digital Ecosystem*. Tallinn: Enterprise Estonia. Available at: e-estonia.com [Accessed February 2026].

Environment Agency (EA) (2025a) *Event Duration Monitoring — Storm Overflows — Annual Returns (Long-Term Trends Dataset)*. Bristol: Environment Agency, 27 March. Available at: www.gov.uk [Accessed April 2026].

Environment Agency (EA) (2025b) *Water and Sewerage Companies in England: Pollution Incident Report for 2016 to 2024*. Bristol: Environment Agency, August. Available at: www.gov.uk [Accessed January 2026].

Equal Times (2024) 'Can Vienna's Model of Social Housing Provide the Inspiration to Tackle Europe's Housing Crisis?' Available at: www.equaltimes.org [Accessed February 2026].

Euronews (2024) 'Social Housing in Vienna: Is it as Good as it Seems?' 8 March. Available at: www.euronews.com [Accessed February 2026].

European Investment Bank (EIB) (2023) *Investment Report 2023: Resilience and Renewal*. Luxembourg: EIB. Available at: www.eib.org [Accessed February 2026].

F Financial Times (FT) (2025) 'UK Government Insists Consultancy Spending Cuts "On Track".' 27 February. Available at: www.ft.com [Accessed March 2026].

Food and Water Watch (2019) *Water Remunicipalisation Tracker*. Washington DC: Food and Water Watch. Available at: www.foodandwaterwatch.org [Accessed February 2026].

G GB News (2026) 'Labour Accused of "Losing Grip" on Consultant Spending as Bill Skyrockets into Billions.' 16 March. Available at: www.gbnews.com [Accessed March 2026].

Green Party of England and Wales (2024) *Real Hope. Real Change: Manifesto for a Fairer, Greener Country*. London: Green Party of England and Wales. Available at: www.greenparty.org.uk [Accessed January 2026].

Green Party of England and Wales (2024b) *Creating a Fairer, Greener Economy*. London: Green Party. Available at: www.greenparty.org.uk [Accessed January 2026].

Gresham College (2025) 'Why Does Britain Have a Water and Sewage Crisis?' Lecture, 11 February. Available at: www.gresham.ac.uk [Accessed January 2026].

H HM Treasury (2022) *UK Infrastructure Bank: Strategic Plan*. London: HM Treasury. Available at: www.gov.uk [Accessed February 2026].

House of Commons Library (2023) *Rail Privatisation and Nationalisation in the UK*. Research Briefing CBP-9076. London: House of Commons Library. Available at: commonslibrary.parliament.uk [Accessed February 2026].

House of Commons Library (2026) *Sewage Discharges*. Research Briefing CBP-10027. London: House of Commons Library, 31 March. Available at: commonslibrary.parliament.uk [Accessed April 2026].

House Our Neighbors (2024) *2024 Vienna Delegation Report*. Seattle: House Our Neighbors. Available at: www.houseourneighbors.org [Accessed February 2026].

I Institute for Government (IfG) (2024) *Whitehall Monitor 2024, Part 1: How the Civil Service is Changing*. London: IfG, 10 December. Available at: www.instituteforgovernment.org.uk [Accessed February 2026].

International Monetary Fund (IMF) (2020) *Germany: Fiscal Monitor*. Washington DC: IMF.

International Monetary Fund (IMF) (2022) *United Kingdom: Staff Concluding Statement of the 2022 Article IV Consultation Mission*. Washington DC: IMF. Available at: www.imf.org [Accessed February 2026].

IPSOS (2024) *Public Attitudes to Nationalisation of Energy and Water*. London: IPSOS. Available at: www.ipsos.com [Accessed March 2026].

J Jo Cox Commission on Loneliness (2017) *Combating Loneliness One Conversation at a Time: A Call to Action*. London: Jo Cox Commission. Available at: www.jocoxfoundation.org [Accessed February 2026].

K KfW (2025a) *KfW at a Glance: Facts and Figures*. Frankfurt: KfW. Available at: www.kfw.de [Accessed February 2026].

KfW (2025b) *KfW Investor Relations: Capital Market Activities, Bonds and Financial Standing*. Frankfurt: KfW. Available at: www.kfw.de [Accessed February 2026].

L Letwin, O. (2018) *Independent Review of Build Out: Final Report*. London: HM Government. Available at: www.gov.uk [Accessed January 2026].

Local Government Association (LGA) (2024) *Green Party Manifesto: Local Government Analysis*. London: LGA. Available at: www.local.gov.uk [Accessed January 2026].

Local Government Lawyer (2024) 'The Green Party Manifesto: Key Promises.' June. Available at: www.localgovernmentlawyer.co.uk [Accessed January 2026].

M McDonald, D.A., Marois, T. and Barrowclough, D. (eds) (2020) *Public Banks and Covid-19: Combating the Pandemic with Public Finance*. Geneva: UNCTAD/Municipal Services Project. Available at: www.tni.org [Accessed February 2026].

Marois, T. (2023) 'Public Development Banks as Essential Infrastructure: Covid, the KfW, and Public Purpose.' *Cambridge Journal of Economics*, 48(1). doi:10.1080/09538259.2023.2241111

N National Audit Office (NAO) (2024) *High Speed Two: Progress Update*. London: NAO. Available at: www.nao.org.uk [Accessed January 2026].

Natural World Fund (2026) 'UK Sewage Pollution Crisis: 300,000 Spills in 2025.' Available at: www.naturalworldfund.org.uk [Accessed April 2026].

Nature Water (2025) 'Water Industry Strategies to Manufacture Doubt and Deflect Blame for Sewage Pollution in England.' *Nature Water*, January. doi:10.1038/s44221-024-00370-y. Available at: www.nature.com [Accessed February 2026].

New Civil Engineer (2025) 'Water Company Pollution Incidents in England Surged by 60% in 2024.' 18 July. Available at: www.newcivilengineer.com [Accessed January 2026].

New Economics Foundation (NEF) (2016) *The Financialisation of UK Homes: The Housing Crisis, Land and the Banks*. London: NEF. Available at: neweconomics.org [Accessed January 2026].

Norges Bank Investment Management (2025) *Government Pension Fund Global: Annual Report 2024*. Oslo: Norges Bank. Available at: www.nbim.no [Accessed February 2026].

NPR (2025) 'US Cities Look to Vienna for Green Affordable Housing.' 15 June. Available at: www.npr.org [Accessed March 2026].

O OECD (2023) *Economic Outlook: United Kingdom*. Paris: OECD. Available at: www.oecd.org [Accessed February 2026].

Office for National Statistics (ONS) (2024) *UK National Accounts, The Blue Book 2024*. Newport: ONS. Available at: www.ons.gov.uk [Accessed February 2026].

P Pettifor, A. (2018) 'The Financialisation of the Housing Market.' Ann Pettifor Blog, 13 February. Available at: www.annpettifor.com [Accessed January 2026].

Pollock, A.M., Dunnigan, M., Gaffney, D., Price, D. and Shaoul, J. (2002) 'Private Finance and "Value for Money" in NHS Hospitals: a Policy in Search of a Rationale?' *British Medical Journal*, 324, pp.1205-1209. doi:10.1136/bmj.324.7347.1205.

Positive Money (2025) 'Fixing How We Tax Property is Key to Tackling the Housing Crisis.' 9 October. Available at: positivemoney.org [Accessed January 2026].

R Rivers Trust (2026) 'Sewage Discharges: 2025 Annual Summary Data.' 26 March. Available at: therivertrust.org [Accessed April 2026].

Rowland, D. (2023) 'How Private Finance is Crippling Health and Social Care.' *LSE British Politics and Policy Blog*, 30 October. Available at: blogs.lse.ac.uk [Accessed January 2026].

S SBS Dateline (2026) 'Max Lives in a "Renters' Utopia", But Some Say the City's Famous Housing System Isn't Fair.' 15 March. Available at: www.sbs.com.au [Accessed March 2026].

SNCF Réseau (2023) *Rapport Annuel 2022*. Paris: SNCF Réseau. Available at: www.sncf-reseau.fr [Accessed February 2026].

T Tussell (2024) *Government Spending on Management Consultancy: Annual Analysis 2023*. London: Tussell. Available at: www.tussell.com [Accessed February 2026].

W Wiener Wohnen (2024) *Social Housing in Vienna: History and Current Provision*. Vienna: City of Vienna. Available at: socialhousing.wien [Accessed February 2026].

Wikipedia (2025) 'Private Finance Initiative.' *Wikipedia: The Free Encyclopaedia*. Available at: en.wikipedia.org [Accessed January 2026].

World Socialist Web Site (WSWS) (2025) 'Behind Britain's Housing Crisis — the Financialisation of Housing and the Rise of the Rentier Class.' 6 October. Available at: www.wsws.org [Accessed January 2026].

Note on referencing: Where newspaper, blog, and online sources have been used, they have been cited because they contain data, direct quotations from officials, or institutional statements not available in peer-reviewed form. Every effort has been made to cross-reference factual claims against multiple sources. The use of Wikipedia as a reference is limited to cases where it provides a useful summary of legislative history that is not in dispute.

Additional references for Chapter Six: The Informed Citizen

Boffey, D. (2021) 'How the Rothermere Dynasty Avoided Paying Inheritance Tax on its £1bn+ Media Empire.' *The Guardian*, 14 October. Available at: www.theguardian.com [Accessed March 2026].

Freedman, D. (2014) *The Politics of Media Policy*. Cambridge: Polity Press.

- Hobbs, R.** (2010) *Digital and Media Literacy: A Plan of Action*. Washington DC: Aspen Institute Communications and Society Program.
- Leveson, B.** (2012) *An Inquiry into the Culture, Practices and Ethics of the Press: Report*. 4 vols. London: The Stationery Office. Available at: www.gov.uk [Accessed March 2026].
- Mayhew, F.** (2023) 'UK News Media Ownership: Who Controls Britain's Press?' *Press Gazette*, updated 2024. Available at: pressgazette.co.uk [Accessed March 2026].
- McGrew, S., Breakstone, J., Ortega, T., Smith, M. and Wineburg, S.** (2018) 'Can Students Evaluate Online Sources? Learning From Assessments of Civic Online Reasoning.' *Theory and Research in Social Education*, 46(2), pp.165-193.
- Muraja, T. and Ahlqvist, V.** (2018) *Finnish Media Literacy Education: Goals and Content*. Helsinki: National Audiovisual Institute. Available at: kavi.fi [Accessed March 2026].
- Reporters Without Borders (RSF)** (2025) *World Press Freedom Index 2025*. Paris: RSF. Available at: rsf.org [Accessed March 2026].
- Reuters Institute** (2024) *Digital News Report 2024*. Oxford: Reuters Institute for the Study of Journalism. Available at: reutersinstitute.politics.ox.ac.uk [Accessed March 2026].
- Sunstein, C.R.** (2017) *#Republic: Divided Democracy in the Age of Social Media*. Princeton: Princeton University Press.
- Wardle, C. and Derakhshan, H.** (2017) *Information Disorder: Toward an Interdisciplinary Framework for Research and Policymaking*. Strasbourg: Council of Europe.

Index

Page references are illustrative; this index is keyed to chapter and section numbers for the digital edition. References to footnotes are indicated by (n). References to tables and figures are indicated by (t) and (f) respectively.

A Accountability mechanisms, 1.3, 2.3, 3.3, 4.3, Conclusion — citizen panels, 3.3 — parliamentary oversight, 1.3, 4.3 — public registers, 1.3 — service charters, 3.3

Affordable housing, see *Social housing*

Austerity — effect on local government, Introduction — effect on Sure Start, 3.2 — effect on civil service expertise, 4.1

Austria, see *Vienna*

Authoritarian models — contrasted with democratic state capacity, 1.3, 2.3, 3.3, 4.3, Preface, Foreword — Chinese urban development as functional reference, Preface, Introduction

B Bank of England, 1.1(n), 1.3 Bank lending, patterns of, 1.1, Introduction — to housing vs. productive economy, 1.1 — credit creation mechanism, 1.1 — regulatory reform proposals, 1.2

Benwell, Richard, 3.1 Blakeley, Grace, [Introduction](#), 1.1, [References](#) British Restaurant (wartime), 3.2 British Sovereign Wealth and Enterprise Fund (SWEF), proposed, 1.2, 1.3 British Steel, [Appendix](#)

C Caisse des Dépôts (France), 1.2, 1.4, [Afterword](#) Capital Gains Tax, 1.2 Capital investment, public — historical decline in UK, 1.1, 3.1 — comparison with Germany, 1.1 — Norwegian sovereign fund, 1.1, 1.3

China — functional reference for state capacity, [Preface](#), [Foreword](#), [Introduction](#) — political system not proposed for emulation, [Foreword](#), [Preface](#) — urban green infrastructure, 2.2

Citizens' Assembly (Ireland), 3.3

Constitutional Lock, The (Chapter Five) — central argument, 5 — track record under FPTP, 5.1 — Thatcher precedent, 5.1 — Reform UK risk, 5.1 — electoral architecture argument, 5.2 — durability guarantee, 5.4 — design proposal, 5.5 — see also *Electoral reform*; *Proportional representation* Civil service — expertise decline, 4.1 — consultancy dependency, 4.1 — ministerial churn, 4.1 — proposed rebuild, 4.2 — National School of Government, proposed, 4.2 — pay and progression reform, proposed, 4.2

Climate change — energy transition and NIB, 1.2 — green infrastructure, 2.2 — Vienna housing retrofits, 2.2

Community Canteens, proposed, 3.2 — historical precedent, 3.2 — European comparisons, 3.4

Community ownership — energy infrastructure, 1.2 — Green Party proposals, 1.2

Compulsory purchase — reform proposals, 1.2, 2.3 — at existing use value, 1.2, 2.1

Consultancy spending (government), 4.1 — Cabinet Office controls (2024), 4.1 — Public Accounts Committee findings, 4.1 — proposed cap, 4.2 — knowledge transfer requirement, 4.2

Credit direction — current failure, 1.1 — regulatory mechanism proposed, 1.2 — European frameworks, 1.4

D Democratic Modernisation, defined, Preface Democratic safeguards, see *Accountability mechanisms*

Denmark — planning comparisons, 2.1 — social service comparisons, 3.4

Department of National Development (DND), proposed, 4.2 — statutory mandate, 4.2 — parliamentary oversight, 4.3 — accountability structure, 4.3

Directed credit, see *Credit direction* Discretionary planning, see *Planning system*

E Electoral reform, see also *Proportional representation; The Constitutional Lock* — Green Party position, 4.2, 5 — as governance investment, 4.2 — as programme safeguard, 5 — First Past the Post critique, 4.2, 5.1, 5.2 — proportional representation, 4.2, 5.2 — Thatcher precedent, 5.1 — Reform UK risk, 5.1 — counter-argument on stability, 5.3 — 2011 AV referendum, 5.3 — design proposal, 5.5

Energy sector — privatisation failure, 3.1 — proposed renationalisation, 3.2 — Green Party policy, 3.2 — Paris water remunicipalisation parallel, 3.2 — consumer bill reform, 3.2

Environment Agency, 3.1, [References](#) — pollution incident reports, 3.1 — sewage discharge data, 3.1

Estonia — digital state model, 4.2, 4.4 — e-Estonia system, 4.2

European Investment Bank (EIB), 1.4, [Afterword](#) European application — finance, 1.4 — infrastructure, 2.4 — public services, 3.4 — governance, 4.4 — summary in [Afterword](#)

F Financialisation — of housing market, 1.1, [Introduction](#) — mechanisms, 1.1 — Blakeley analysis, 1.1 — NEF report, 1.1 — Pettifor analysis, 1.1

Finland — free personal care, 3.2, 3.4 — free school meals, 3.4 — social housing, 2.4(t)

First Past the Post, see *Electoral reform*

France — Caisse des Dépôts, 1.2, 1.4 — TGV/rail delivery model, 2.1, 2.2 — Paris water remunicipalisation, 3.2 — France Stratégie, 4.2 — ENA/INSP training tradition, 4.2, 4.4

Free personal care, 3.2, 3.4 Free school meals, 3.2, 3.4

G Germany — KfW development bank, 1.2, 1.4 — infrastructure delivery model, 2.1, 4.1 — public transport, 2.2 — civil service tradition, 4.4 — Deutsche Bahn, 2.2

Governance — current crisis, 4.1 — proposed programme, 4.2 — democratic safeguards, 4.3 — European application, 4.4

Government Major Projects Portfolio, 4.1 Grenfell Tower, [Appendix](#) Green Party of England and Wales — 2024 manifesto overview, [Introduction](#) — finance proposals, 1.2 — regional mutual banks, 1.2 — infrastructure proposals, 2.2 — rail investment, 2.2 — housing proposals, 2.2 — social care

proposals, 3.1, 3.2 — energy nationalisation, 3.2 — water nationalisation, 3.2 — free personal care, 3.2 — free school meals, 3.2 — Sure Start restoration, 3.2 — electoral reform, 4.2 — fiscal rules rejection, 1.2, [Appendix](#) — wealth tax, 1.2

Green infrastructure (built environment), 2.2, 2.4

H High Speed Two (HS2), 2.1, 4.1 — cost history, 2.1 — cancellation of northern legs, 4.1 — as failure mode study, 4.1

Housing — affordability crisis, 1.1, 2.1 — financialisation, 1.1 — land value problem, 1.1 — planning system failure, 2.1 — Vienna model, 2.2 — proposed national programme, 2.2 — design standards, 2.2 — mixed tenure, 2.2

Housing benefit, 1.1(n) Housing completions (UK), 2.1(t)

Hulme Crescents, [Appendix](#)

I In-house delivery — definition, [Abbreviations](#) — proposed restoration, 3.2 — knowledge retention argument, 3.1

Infrastructure — current crisis, 2.1 — proposed programme, 2.2 — long-term project protection, 4.2 — European coordination, 2.4, [Afterword](#)

Institute for Government, 4.1, [References](#)

J Jo Cox Commission on Loneliness, 3.1, 3.2

K KfW (Kreditanstalt für Wiederaufbau), 1.2, 1.4, [Appendix](#) — founding and history, 1.2 — 2024 lending volume, 1.2 — governance model, 1.3 — Green Bonds programme, [Afterword](#)

L Land value tax (LVT), 1.2 Land value uplift/capture, 1.2, 2.3 Letwin Review (2018), 2.1, 2.1(n) Libraries, closures of, 3.1 Local government — funding crisis, [Introduction](#) — proposed multi-year settlement, 3.3, 4.3 — planning powers, 2.3 — in-house service capacity, 3.2

Loneliness, 3.1 — Jo Cox Commission findings, 3.1 — public health framing, 3.1 — Community Canteen response, 3.2

Long-term planning — current failure, 4.1 — statutory protection proposals, 4.2 — French model, 2.1, 4.2 — Nordic model, 4.4

M Macquarie Group (Thames Water), 3.1 Manufacturing (UK), decline of, 1.1, [Introduction](#) Ministerial tenure, 4.1

N National Audit Office (NAO), 4.1, [References](#) National Design Commission, proposed, 2.2 National Investment Bank (NIB), proposed, 1.2, 1.3 — governance structure, 1.3 — lending categories, 1.2 — comparison with KfW, 1.2 — land value capture funding, 1.2 — Green Party precedent, 1.2

National School of Government, proposed, 4.2 Nationalisation — energy, 3.2 — water, 3.2 — rail, 2.2 — 1970s experience (counter-argument), [Appendix](#) — European comparisons, 3.4 — public support for, 3.2

Norway — Government Pension Fund Global, 1.1, 1.3 — sovereign fund governance model, 1.3

O Ofwat, 3.1, 3.3 Ofgem, 3.3 Outsourcing — definition and scale, 3.1 — knowledge loss through, 3.1 — PFI as paradigm case, 3.1 — social care, 3.1 — proposed reversal, 3.2

P Paris — water remunicipalisation (2010), 3.2 Park Hill (Sheffield), [Appendix](#) Parliament — role in NIB governance, 1.3 — role in DND oversight, 4.3 — National Development Select Committee, proposed, 4.3 — long-term project approval, 4.2

Personal care, free, see *Free personal care* Pettifor, Ann, 1.1, [Introduction](#), [References](#) Planning system — discretionary model (England and Wales), 2.1 — cost of delay, 2.1 — land banking, 2.1 — proposed zoning reform, 2.2 — national framework, 2.2 — regional spatial plans, 2.2 — local development rights, 2.2 — democratic objection to reform, 2.3

Pollock, A.M., et al., 3.1(n), [References](#) Population density (UK), 2.1(n) Positive Money, 1.1, [References](#) Private Finance Initiative (PFI) — total UK commitment by 2007, 3.1 — NHS impact, 3.1 — dividend extraction, 3.1 — CHPI analysis, 3.1 — proposed termination, 3.2 — counter-argument on 1970s nationalisation, [Appendix](#)

Proportional representation — defined and types explained, 5.2 — MMP (Germany), 5.2 — STV (Ireland), 5.2 — as durability guarantee for programme, 5.4 — cross-party institution building, 5.4 — asset-stripping cycle prevention, 5.4 — design proposal, 5.5 — see also *Electoral reform*

Public Accounts Committee, 4.1 Public luxury — defined, [Abbreviations](#), 2.2 — Vienna as exemplar, 2.2

UK Public Services Platform (PSP), proposed, 4.2, 4.3

R Rail — fragmentation and cost, [Introduction](#), [2.2](#) — Great British Railways, proposed, [2.2](#) — Green Party investment commitment, [2.2](#) — French TGV comparison, [2.1](#) — HS2 failure analysis, [2.1](#), [4.1](#)

Reform UK — FPTP risk to programme, [5.1](#) — polling and electoral threat, [5.1](#) — asset-stripping risk, [5.4](#)

Renationalisation, see *Nationalisation* Regional mutual banks (Green Party), [1.2](#) Right to Buy, [Introduction\(n\)](#)

S School meals, see *Free school meals* Scotland — free personal care, [3.2](#), [3.4](#)

Sewage discharges — 2025 data, [3.1](#), [Introduction](#) — Thames Water specifically, [3.1](#) — Environment Agency reports, [3.1](#) — Nature Water research on deception tactics, [3.1](#) — Rivers Trust findings, [3.1](#)

Social care, see also *Free personal care* — outsourcing crisis, [3.1](#) — private equity in, [3.1](#) — Green Party investment commitment, [3.1](#)

Social housing — Vienna model, [2.2](#) — UK deficit, [2.1](#) — proposed programme, [2.2](#) — design standards, [2.2](#) — counter-argument on high-rise, [Appendix](#)

Sortition, see *Citizen panels* Sovereign Wealth Fund, see *British Sovereign Wealth and Enterprise Fund* State capacity — defined, [Abbreviations](#) — current crisis, [Introduction](#), [4.1](#) — four failures framework, [Introduction](#) — rebuilding programme, [4.2](#) — European application, [4.4](#) — vs. authoritarian capacity, [1.3](#), [4.3](#)

Strategic National Investment, defined, [Abbreviations](#) Sure Start, [3.2](#)

T Thatcher, Margaret / Thatcher governments — 1979–1990 privatisation programme, [5.1](#) — minority vote share and majority mandate, [5.1](#) — as paradigm case for FPTP danger, [5.1](#) — irreversibility of asset disposals, [5.1](#)

Thames Water — debt and financial crisis, [3.1](#) — fines and dividends, [3.1](#) — shareholder refusal of equity, [3.1](#) — as case study in privatisation failure, [3.1](#)

Town and Country Planning Act (1947), [2.1](#) Transparency, as constitutional principle, [4.3](#) Tussell (data firm), [4.1](#), [References](#)

U UK Infrastructure Bank (UKIB), [1.2](#) Universal services, [3.2](#), [3.4](#)

V Vienna (Wiener Wohnen) — social housing model overview, [2.2](#) — proportion of population housed, [2.2](#) — rent levels, [2.2](#) — design tradition, [2.2](#) — liveability rankings, [2.2](#) — income threshold for access, [2.2](#) — political history (Red Vienna), [2.2](#) — relevance to UK proposal, [2.2](#), [Appendix](#)

W Water sector — privatisation failure, [3.1](#) — sewage discharges data, [3.1](#), [Introduction](#) — Thames Water case, [3.1](#) — dividend vs. investment comparison, [3.1\(t\)](#) — proposed remunicipalisation, [3.2](#) — investment backlog, [3.2](#) — Paris remunicipalisation model, [3.2](#)

Wealth Tax (Green Party), [1.2](#) Wiener Wohnen, see *Vienna*

Z Zoning (planning) — proposed model, [2.2](#) — comparison with European practice, [2.1](#) — three-tier structure, [2.2](#) — democratic safeguards, [2.3](#) — counter-argument on community voice, [Appendix](#)

This index covers principal discussions of each entry. Brief or passing references are not always indexed. The reader is invited to use the chapter and section numbering system to navigate between this index and the main text.